

than 18.05  
relationships

Polly Toynbee  
on fanatical faith



Tough guys for God:  
America's new order

Page 15

Section Two, Cover Story

لسان العرب

Travel the world  
and save the planet

Section Two, Travel



# THE INDEPENDENT

3,005

WEDNESDAY 5 JUNE 1996

WEATHER Dry and sunny 40p (IR 45p)

Which plump feline picked up £175,000...



...and celebrated with a doze in the park?

Turn to page 3 for the answer

Photograph: Edward Webb

## Bang! went \$7bn of research, £500m in kit, dozens of British scientists' careers and, probably, Europe's future in space

TOM WILKIE  
Science Editor

The European Space Agency's hopes of dominating the lucrative market for launching commercial satellites exploded in flames yesterday when technicians at the Agency's launch pad in French Guiana, deliberately blew up the Ariane-5 rocket as it veered off-course just 40 seconds into its maiden flight.

The burning wreckage of the Europe's biggest ever rocket and the first of a new generation of heavy launchers, fell back to Earth near the launch site at Kourou carrying with it the debris of four scientific satellites, known as "Cluster".

Rocket and payload had cost around £500m. Neither was insured.

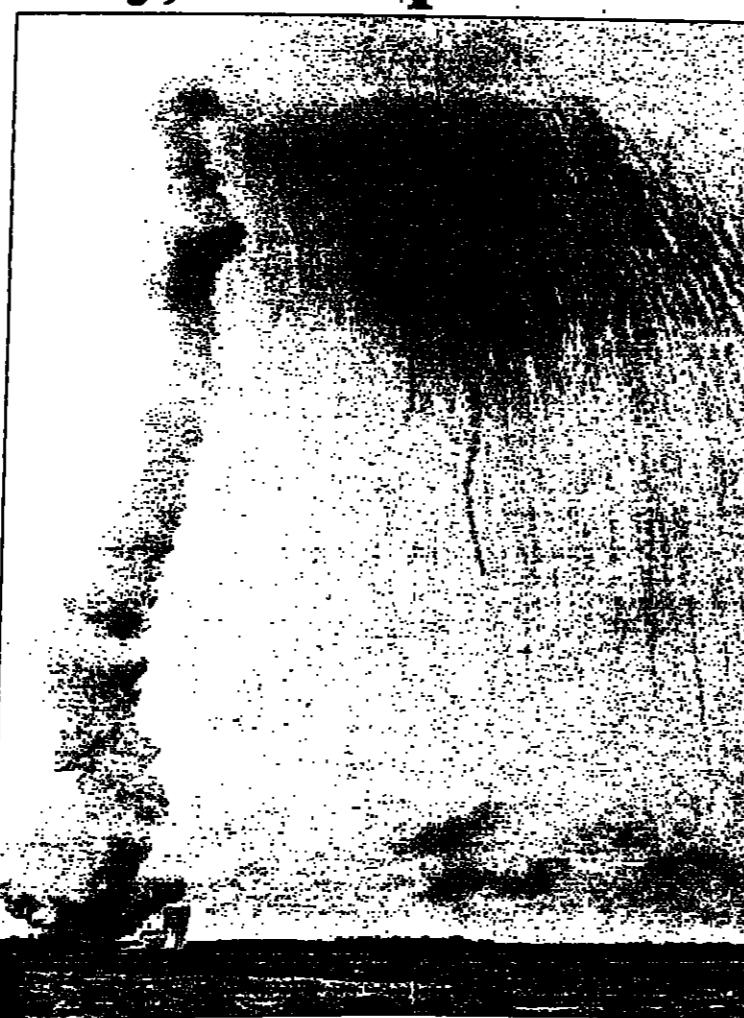
Journalists at the control centre heard two explosions and saw a giant wreath of orange flames and blazing wreckage 2.5 miles away. Officials then hustled them indoors and evacuated the area.

About 100 invited guests watching the launch at Toucan, just two miles away, were evacuated wearing gas masks. They arrived at the Agency's press centre looking shaken.

Cheers at the control centre as the giant rocket lifted off turned to stunned dejection. Some ground controllers wept. The local government prefect, Pierre Dartout, said there was no danger to the public, although noxious gases could be smelled in some places.

In Britain, scientists watched the aborted launch on a satellite-link. Nick Flowers, a research student at the Mullard Space Science Laboratory of University College London, said: "When the explosion occurred, there was a tangible feeling of shock. We just sat there in silence. It is a loss for a generation of space scientists." Mr Flowers had hoped to complete his doctor of philosophy research degree using data gathered by the Cluster satellites.

Ian Taylor, the Government's minister for space, said: "We need to find out what went wrong. It is a great disappointment to all the scientists involved



Up in smoke: The Ariane-5 explodes in French Guiana

Photograph: EPA

in the project." On 4 March, Mr Taylor had committed the British government to contributing £2.8m to the further development costs of the Ariane-5.

Over the past decade, the other member countries of the European Space Agency have contributed some

\$70m (£4.6bn) to the Ariane-5 rocket. Britain did not participate until this year.

The Agency's commercial arm, the French-led company Arianespace, is responsible for the development of the rocket launchers. Backed by 53 European shareholders, mostly governments

and state-run companies, Arianespace now dominates roughly 60 per cent of the £1bn-a-year launch market.

Arianespace, which built its success on the more conventional Ariane 4, had staked its future on the squat new Ariane 5. Its unusual twin boosters were supposed to cut launch costs by 20 per cent by handling two bulky satellites at a time.

Arianespace President Claude Bigot said the 87th satellite launch of the Ariane 4 would take place in eight days as planned. He said an inquiry into the Ariane 5 failure would start immediately.

Although the trail of debris superficially resembled the images from the explosion of the American space shuttle Challenger in 1986, yesterday's accident will be much less of a set back to Europe—not least because no astronauts were involved. A further 14 rockets are in the Arianespace production line, so providing the fault is not generic, the programme will not suffer too much.

"The major loss is to science and the Cluster mission," Mr Flowers said. The four identical satellites were designed to orbit the Earth and monitor the interaction between the stream of electrically charged particles flowing out from the Sun and the Earth's protective magnetic field, known as the magnetosphere. In Arctic latitudes the particles can reach down to the upper atmosphere causing the display known as the Aurora or Northern Lights. But if there is a major solar flare, "these particles can engulf the magnetosphere causing power blackouts on Earth. The particles can hit and kill communications satellites". Mr Flowers said: "Cluster would have given us a handle on this phenomenon and allowed us to avoid the loss—saving a considerable amount of infrastructure."

The rocket and its payload were not insured because "no commercial insurer would touch it", Mr Flowers said. "If you're looking for a payload to stick on your first launcher you look to science rather than a commercial payload. Science got it cheap, but it was risky. There was a sting in the tail," he concluded.

year at the same level as the previous year, total investment spending would have been more than £1bn higher. Their capital expenditure has now returned to its lowest level since 1989.

Gordon Brown, the shadow Chancellor, said: "That they are cutting investment while they are making excess profits and handing out millions in share buy-backs and special dividends is further evidence that the privatised utilities are ignoring the long-term interests of consumers."

When the utilities were sold

The prices the utilities can charge take account of planned capital expenditure. Once the price has been fixed, lower investment has translated directly into higher profits.

One consultant who has worked closely with the electricity firms said: "Utilities have been cagey about committing funds in the years running up to a review because there are no rules. They did not know what the regulators would do about it."

Dan Corry, an economist at the Institute for Public Policy Research, a left-leaning think-tank, said: "Regulation by price creates

capital spending have been dropping because the companies are a lot more efficient now than they were in the past."

However, disappointing investment spending has begun to alarm industry watchdogs.

The gas industry's regulator, Claire Spottiswoode, last month announced stricter controls on TransCo, the transmission arm of British Gas, as a result of its spending nearly a third less on investment than it had promised.

Her statement said: "Ofgas considers it unreasonable that customers should pay in advance for expenditure which is unlikely to occur." British Gas estimates, probably over-optimistically, that it could lose up to £850m in revenues as a result.

Stephen Littlechild, director general of Ofgas, the electricity regulator, announced last October that electricity companies would have to provide annual reports on their investment in the distribution network and quality of supply to customers. The first of these is due to be published soon. Industry figures suggest that small increases in capital spending on distribution and supply have been swamped by cuts in investment in generation and transmission.

Only the water industry has been given a clean bill of health. Ian Bryant, Ofwat's director general, said that although the water companies spent less on investment in 1994/95, the industry had invested £15.1bn since privatisation. However, individual firms have fallen short of their capital spending and drawn criticism from Mr Bryant.

Leading article, page 13  
Business comment, page 17

DIANE COYLE  
Economics Editor

The electricity, gas and water companies slashed investment by about £2bn between 1993 and 1995, according to figures obtained by the *Independent*. The disclosure prompted Labour to threaten to increase dramatically the windfall tax it plans to levy from the privatised utilities.

The slump in investment spending during the past three years occurred in the face of Government assurances that the companies would be able to spend more on improving their services following privatisation.

The Labour Party claimed the figures showed the Government's regulatory regime had failed to stop privatised companies siphoning money earmarked for investment into excess profits.

A senior Labour source indicated that in the light of this evidence the party would step up its plans for a windfall profits tax. Its initial plan to raise £20m to £30m now looked too conservative, the source said.

Capital spending on maintaining and modernising the nation's infrastructure by the gas, electricity and water industries fell by nearly a fifth in real terms in 1995, according to official statistics. This followed declines of 5 per cent in 1993 and 13 per cent in 1994.

The reduction in investment has been concentrated in the gas and electricity industries, but figures from the Office for National Statistics show that even the water companies cut their spending in 1994.

If the three industries had kept their capital spending last

into the private sector, ministers claimed that they would be able to increase their investment programmes once they were liberated from Treasury borrowing limits.

This was particularly the case with the water industry, which had suffered decades of under-investment.

The Conservative Party's *Campaign Guide* boasts that water companies "will have invested nearly £30bn in improving Britain's water by the end of this decade—the largest programme of investment in the industry's history", and that British Gas has invested £15bn over the past eight years.

Other explanations have also played a part. The collapse in investment in gas and electricity during the past three years followed a period of higher spending in 1990-92. For example, expenditure on Sizewell increased the figure for electricity in 1990-92 but has now dropped out of the total.

In addition, most experts think the industries have become more efficient since privatisation. Rod MacLean, a utilities analyst at City Brokers Hoare Govett, said: "Levels of

### INVESTMENT BY THE UTILITIES

year on year change in utility investment spending (by %)

	Electricity	Gas	Water	Total
1992	+18.9	+13.7	+15.1	+16.9
1993	-3.6	-21.9	+7.1	-4.7
1994	-16.3	-16.1	-8.3	-12.7
1995	n/a	n/a	n/a	-19.3

Source: Office for National Statistics

an incentive to skimp on investment. If you can do less investment, you can pocket the lot."

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### QUICKLY

#### Students' labours

Drama and dance students often endure appalling privation while training, it emerged yesterday. Many have to work at night and weekends in restaurants, bars or even obscene phone lines to pay their £6,000-a-year fees.

Page 7

#### Birmingham ready

As Michael Heseltine launches a last-ditch attempt to persuade business chiefs to back the giant Millennium Exhibition planned for Greenwich, new details have emerged showing that Birmingham, the rival site, has the financing in place and the overall cost of its project would be much less. Page 4

#### CONTENTS

##### Section 1

##### BUSINESS & CITY . 16-20

##### COMMENT . . . . . 13-15

##### GAZETTE . . . . . 14

##### LEADING ARTICLES . . . . . 13

##### LETTERS . . . . . 14

##### OBITUARIES . . . . . 14

##### SHARES . . . . . 20

##### SPORT . . . . . 21-24

##### Section 2

##### ARTS . . . . . 6-9

##### CHESS . . . . . 23

##### CROSSWORD . . . . . 26

##### LAW . . . . . 20

##### LISTINGS . . . . . 24-25

##### MONEY . . . . . 12-14

##### TV & RADIO . . . . . 27,28

##### WEATHER . . . . . 25

##### KIDS . . . . . 23

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## news

# The end of a false marriage

Beirut — The marriage is over. The show has long ago drawn to a close. The divorce decree was made final the moment Bibi Netanyahu became Prime Minister. But there was Yasser Arafat in London yesterday, still pleading for more money for the Palestinian state he will never rule, demanding investment for lands he will never control, still urging "Bibi" to honour the peace agreement the Israelis finally killed off last week.

In retrospect, John Major might have been kinder to Mr Arafat this week had he smiled less and told him the truth: that the handshake on the White House lawn was as cruelly illusory as the hopes and dreams which the Israeli-American peace fostered among Europeans and the West's "friends" in the Arab world.

Yet, even in Washington, the White House's desperate attempts to explain away an Israel that was supposed to want peace for land, but no longer wishes to honour her agreements with the Arabs, has led to a fantasy. Fast, taking hold among pro-Israel commentators, State Department spin doctors and CNN's obedient Washington correspondents, the line peddled almost at once by President Bill Clinton — that Bibi may not be that bad.

Had he not promised to continue the "peace process"? Should we not help Bibi control his "right-wing", as if he is not himself as right-wing as they? And — most mischievous of all — had not a Likud predecessor, Menachim Begin, kicked off the Middle East peace by withdrawing Israeli troops from Egyptian Sinai?

President Mubarak has grasped at this willful delusion. Even the British are reminding an ever more sceptical audience that Begin initiator of the 1982 Lebanon catastrophe and whose soldiers watched the Sabra and Chatila massacre, may have been a true peacemaker. And if so, why not Bibi?

Do such illusions fall under the definition of tragedy, or deception? Even if the "peace" was not doomed the moment the PLO emerged from Oslo with their unguaranteed promises of half-statehood, surely now, many Arabs say, it is time to admit total failure.

The solemn and official agreements signed by the PLO and Israel turn out to be of no interest to the new Israeli government: Israel's withdrawal from Hebron has not been ho-



With the election of Netanyahu, the illusion that there is any future to the peace process has been exploded, writes Robert Fisk

noured. Final-status talks, which were supposed to decide the future of Jerusalem and the Jewish settlements still expanding across the occupied West Bank, have become an irrelevance. Israel has changed its mind. Jerusalem will remain forever Israel's capital and that of no other. No settlements will be dismantled. Only President Assad got it right: events he observed after his meeting with Mr Mubarak in Cairo, "did not inspire optimism".

Indeed not. All the Western promises of aid, all the new pledges of friendship, the rewards cast upon Israel and the PLO for making peace, turn out to be wedding gifts at a false marriage. Israel and the PLO, for example, were allowed to

'Even if the peace was not doomed in Oslo, it is now time, Arabs say, to admit total failure'

open new embassies in Dublin on the basis of their peace. Now Israel doesn't want that peace any more. But of course, the embassies will stay. The wedding gifts are not going to be returned now that the marriage is over. The Jordanians have no option but to stick to their promises. King Hussein will be even more desperate to protect his country while a Likud government tears up its treaties with the PLO next door. The Arab states of the Maghreb and the Gulf which flirted with the "new" Israel may be able to withdraw with some decorum. Syria, the virgin bride that never accepted the marriage proposal, remains *intact*; which is why Syria, along with Lebanon, is likely to be the next target.

The crucial difference between the relationship of Europe and America towards the Middle East is simple: for the Europeans, the Arab world and Israel are neighbours and they will always be neighbours. The United States will never be a neighbour. And Europe cannot afford to watch American-Israeli policy provoke insurrection across the Muslim world whose northern frontier lies along the southern rim of Europe.

The first, tentative signs of this European concern came last month, when France insisted on a role in the Israel-Hizbollah ceasefire. Still-born though the truce inevitably will, remains *intact*; which is why Syria, along with Lebanon, is likely to be the next target.



Arafat: Still pleading for money and investment in the state he will never rule

towards France's former Lebanese mandate — sent his Foreign Minister, Hervé de Charette, to Beirut. Damascus and Jerusalem to demand a peace. After the Israeli massacre of refugees at Qana, Mr Chirac called Mr Peres in Jerusalem and, when told he was in a cabinet meeting, demanded he be brought to the telephone to be told that his military adventure in Lebanon, must end immediately.

These are only early, tentative signs of what could turn into a gradual but real European distancing from the American-Israeli policy in the Middle East.

The collapse of the "peace process" has only brought home the need to continue this dislocation. Further violence will cause EU ministers to discuss how, without criticising Washington, it can make counter-proposals for peace. That these should be based upon Security Council resolutions 242 and 338 — the basis of the Madrid 1991 peace conference, which called for the return of occupied land for peace — appears inevitable. But it will be a long time before any Likud government will contemplate such a return to basics — maybe as long as it will take Mr Arafat to realise he is finished.

## Charles appeals for 25,000 volunteers

MICHAEL STREETER

The Prince of Wales yesterday pleaded that all young people be offered community service. He was unveiling a plan to increase the number of volunteers taking part in his Prince's Trust from 4,000 to 25,000 a year. In a gesture of unusual unanimity, the Prince was flanked by the leaders of all three main political parties at St James Palace as he outlined his vision to reach a new generation with his award-winning scheme.

He told his audience: "I believe all young people, employed and unemployed, from

### The willing worker

Ryan More was yesterday honoured by Prince Charles as the Trust's 10,000th volunteer. Living in Glasgow, he left school at 17 to go to college but fell behind after missing lectures, writes Michael Streeter.

"I was 18 an unemployed and caught in the no-benefit trap. I was unable to receive benefits until September as my mother was still getting child benefit for me. For the next six months my life revolved around signing on, looking for work, getting knockbacks, becoming depressed and being disillusioned with my life."

"It was February 1996 and I spotted a advert for the Prince's

every sort of background should have the opportunity to work in a team for a sustained period serving their community."

Around 4,000 people aged between 16 and 25 take part in the Prince's Trust Volunteers, which encompasses a range of activities from canal clearing to caring for the disabled.

By the millennium the Prince hopes to provide places for 25,000 people a year, three-quarters of them unemployed.

Marks & Spencer, NatWest and BT have said their companies will send trainees on the projects.

Prince Charles said the six-year-old scheme won a Na-

tional Training Award because it had succeeded in three things. It has helped the jobless find work; the quality of the programmes are high, so employers send their trainees to them; and community groups fund them valuable.

President Jacques Chirac of France and Bill Clinton of the United States have expressed interest in the projects, he said.

"Every country is concerned about the number of its young people who do not obtain from formal education a range of skills which are needed in a modern society. This is not just a problem for a tiny minority."

He urged schools to become involved in community work and said that his organisation was filling a gap in society.

The Government currently pays £1,100 towards each place given to an unemployed person.

John Major commented: "It is not what any of us seeks out of society that counts, it is what we put back into it."

Labour leader Tony Blair said: "New Labour has already put forward its proposals for a new deal for young people — offering rights and demanding responsibilities in return."

And Liberal-Democrat leader Paddy Ashdown added: "Community volunteering has a major part to play in breaking down social barriers, involving young people in public service and helping them develop social skills."

## Warm welcome and an easy ride for Rod

In the late Eighties a Chelsea footballer called Clive Walker was fined for exposing himself in a street. The following Saturday he appeared in the Blues side playing Tottenham at White Hart Lane. I was in the crowd that greeted him with the friendly chant of "Walker, Walker, show us your knob". But Walker brazened it out and survived to play on for many years.

I offer this as consolation to the former Welsh Office minister Rod Richards, who bravely chose to take his seat on the Tony backbenchers a few minutes later. Sir John Hannan (Exeter) and Matthew Banks (Southport) that didn't actually exist. As she slid backwards smiling regally, her shapely bustle acted like the prawn of an ice-breaker, easing the passage of the bulk of the vessel. Had the *News of the World* photographed this event happening on the sofa of a Mayfair condominium, Mr Marion Roe would have found himself having to stand by his wife. In the Chamber, however, physical conditions make such contact inevitable.

Hot Rod's appearance could only distract MPs for the briefest instant from the serious business of sticking their tongues out at each other. "Neverthefell" Labour councils vied with a government "lacking all coherence and cohesion" for the role of demon of the day. With John Gummer off conferring somewhere, the tubby young ju-

nior environment minister, James Clappison, fielded most of the questions. Mr Clappison has a slightly sententious manner and is given to talking about "the air we breathe", "the water we drink" and "our rivers and streams". This makes him sound like a pompous third-former reading out his *Nature Studies* project to a classful of apathetic and sadly unconcerned classmates; an image that was strengthened in my mind when later on, a profligate nothing, he laid into the latest *Stravios* proposal on curfews for ten year olds.

A couple of minutes later, with master Clappison sitting in the gangway, the Prime Minister said rather mildly that he was "not sure that it would be a workable solution". A tone of restraint that was mirrored by Tony Blair, who was in responsible prime-minister-in-waiting mode asking a series of complex questions about the lifting of the Euro boat ban which passed me (and most of the House) completely by. Mr Major replied at tedious length to the effect that the House would understand why he was reluctant to answer in detail. Indeed it did, it knew that he hadn't understood the questions either.

Everyone departed a little disappointed. Everyone that is, except Rod Richards, who had got through the day without anybody demanding that he show them his knob.

## SIGNIFICANT SHORTS

A legation in Alison Halford, a former assistant chief constable, that her telephone at work was bugged while she fought a case of sexual discrimination against her employer, were backed yesterday by the European Commission of Human Rights.

The commission concluded that Ms Halford's right to privacy were violated. The case has been referred to the European Court of Human Rights, which if it accepts the finding, will order the British government to pay damages. The commission has tried to implement for compensation first laid in April 1997. It followed Ms Halford's claims of sexual discrimination against the chief constable of Merseyside, HM Inspector of Constabulary, the Home Secretary and the Northumbria police authority. Ms Halford claimed that she was passed over in promotion because she was a woman. The complaints were withdrawn following an out-of-court settlement in which she took early retirement. Ms Halford complained to the European Commission that her rights had been violated by the police and the Home Office. The European Court, which usually respects the commission's findings, is expected to rule on the case next year.

One in ten junior doctors say they are forced to do tasks beyond their abilities at least once a week, according to a report by the Andalucia Commission on hospital medical staffing. Almost a third saw new patients in outpatient clinics without supervision, and 13 per cent held the no feedback from their consultants on their work in clinics. Doctors were least likely to be supervised during emergency operations out-of-hours and on weekends.

The report reveals enormous variation in working practices in the 112 National Health Service hospitals in the survey, comprising 1,500 consultants and 2,000 junior doctors. In a quarter of teams junior doctors at senior house officer grade were always supervised in theatre. But in another quarter they operated alone at 40 per cent or more of the operations. It also found that in one in three medical and surgical departments junior doctors worked more than the 56 hours allowed under the Government's "new deal".

A hot line for motorists to complain about poorly driven or slow lorries has been set up by a confederation of the road haulage associations. The 24-hour helpline, which will display the number and a help desk, manned around the clock, will be available to answer complaints. The Good Lorry Code scheme, which was launched yesterday and which has the backing of the Freight Transport Association, the Road Haulage Association and the Confederation of British Industry, is an attempt to soften the image of the 38-tonner. The hot line number is 0800 225533 and complaints are supposed to be dealt with in two days.

Damages awarded after a needle was found in a new-born baby sent home from hospital were believed to run into thousands of pounds. Benjamin Jones was born six weeks prematurely on Christmas Day 1994 and was given blood, number puncture and swab tests when he was 10 days old. But the end of a hypodermic needle broke off and although it showed up on a later X-ray, a doctor mistook it for an external marker placed by a radiographer to note the position of a bruise. The needle eventually worked its way out of Benjamin's body and was found by his mother when she was changing his nappy two weeks later. Benjamin was born in *Freiside* Hospital, *Tring*, and *Freiside* Hospital's trust set up an independent inquiry which reported in May last year when the trust accepted full responsibility and agreed to pay damages. The settlement was approved yesterday at *Tairo* County Court.

A mini-boom at Tyneside engineering and shipbuilding companies has resulted in a 40 per cent increase in craftsmen's pay and wages of skill shortages. Having suffered more than most regions from the recession and the decline in heavy industry, companies on the Tyne are now seeing a resurgence in business and have been trying to recruit skilled workers.

At Swan Hunter craftsmen and technicians are now being paid £28.39 an hour compared with the £6 an hour they earned when the group was in receivership three years ago. Most companies in the area have lengthened the working week from 37 to 39 hours with wages at Swan increasing from £218 a week to £277. The yard, now under Dutch ownership, recently won a £50m order to refit a Swiss-owned pipe-laying vessel. Its workforce had declined to around 250, but is now up to 750.

Dave Hall, president of the Amalgamated Engineering and Electrical Union, said that most of the yards along the Tyne now seemed to be busy and that was being reflected in wage packets. "Skill shortages are beginning to bite and they have to pay to get the experienced people. There used to be thousands of apprentices at companies in the area, but now few are coming through and employers are being made to pay the cost of their previous neglect," he said.

An overturned boat found in the Pacific Ocean was yesterday confirmed by the Foreign Office as belonging to that of lone British rower Peter Bird. The Foreign Office said: "A Singapore vessel has found an overturned boat which seems likely to have been that of Mr Peter Bird. The Japanese authorities have now mounted a search in the area, which is 1,000 miles off the Japanese coast." The latest reports indicated that there was no sign of any occupant near the vessel. Mr Bird, 49, of Fulham, south-west London, set off in *Sector II* from *Vostochny* on Russia's east coast last March.

### THE INDEPENDENT ABROAD

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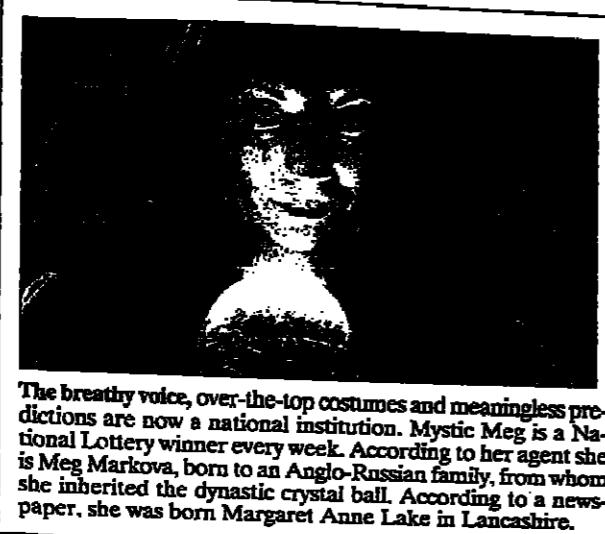
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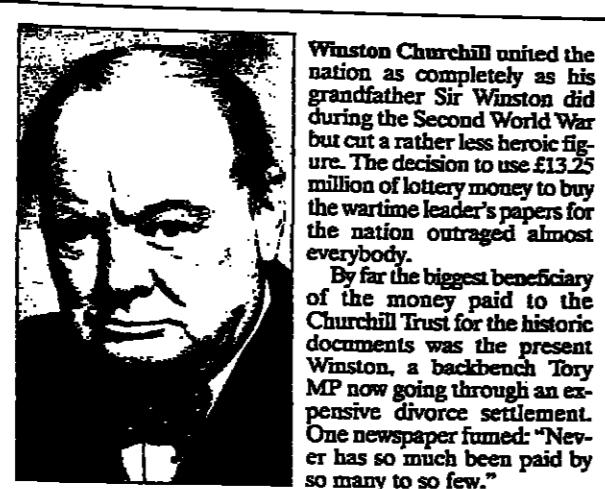
مكتبة من الأصل

Britain and the lure of the lottery: Camelot unrepentant about its mammoth first-year profits

# The good, the bad and the unlucky



The bawdy voice, over-the-top costumes and meaningless predictions are now a national institution. Mystic Meg is a National Lottery winner every week. According to her agent she is Meg Markova, born to an Anglo-Russian family, from whom she inherited the dynastic crystal ball. According to a newspaper, she was born Margaret Anne Lake in Lancashire.



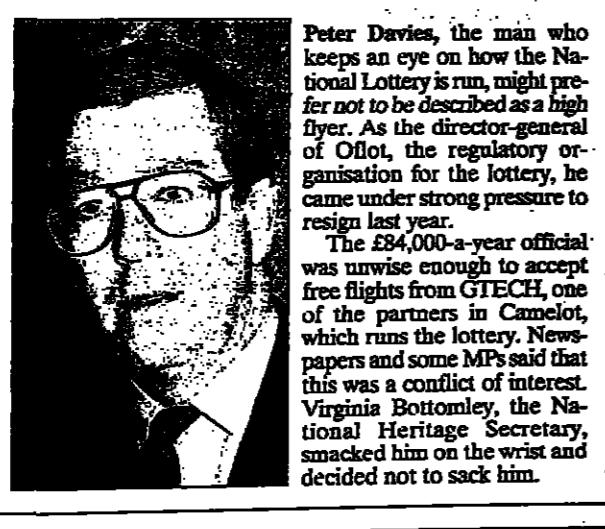
Winston Churchill united the nation as completely as his grandfather Sir Winston did during the Second World War but cut a rather less heroic figure. The decision to use £1.25 million of lottery money to buy the wartime leader's papers for the nation outraged almost everybody.

By far the biggest beneficiary of the money paid to the Churchill Trust for the historic documents was the present Winston, a backbench Tory MP now going through an expensive divorce settlement. One newspaper fumed: "Never has so much been paid by so many to so few."



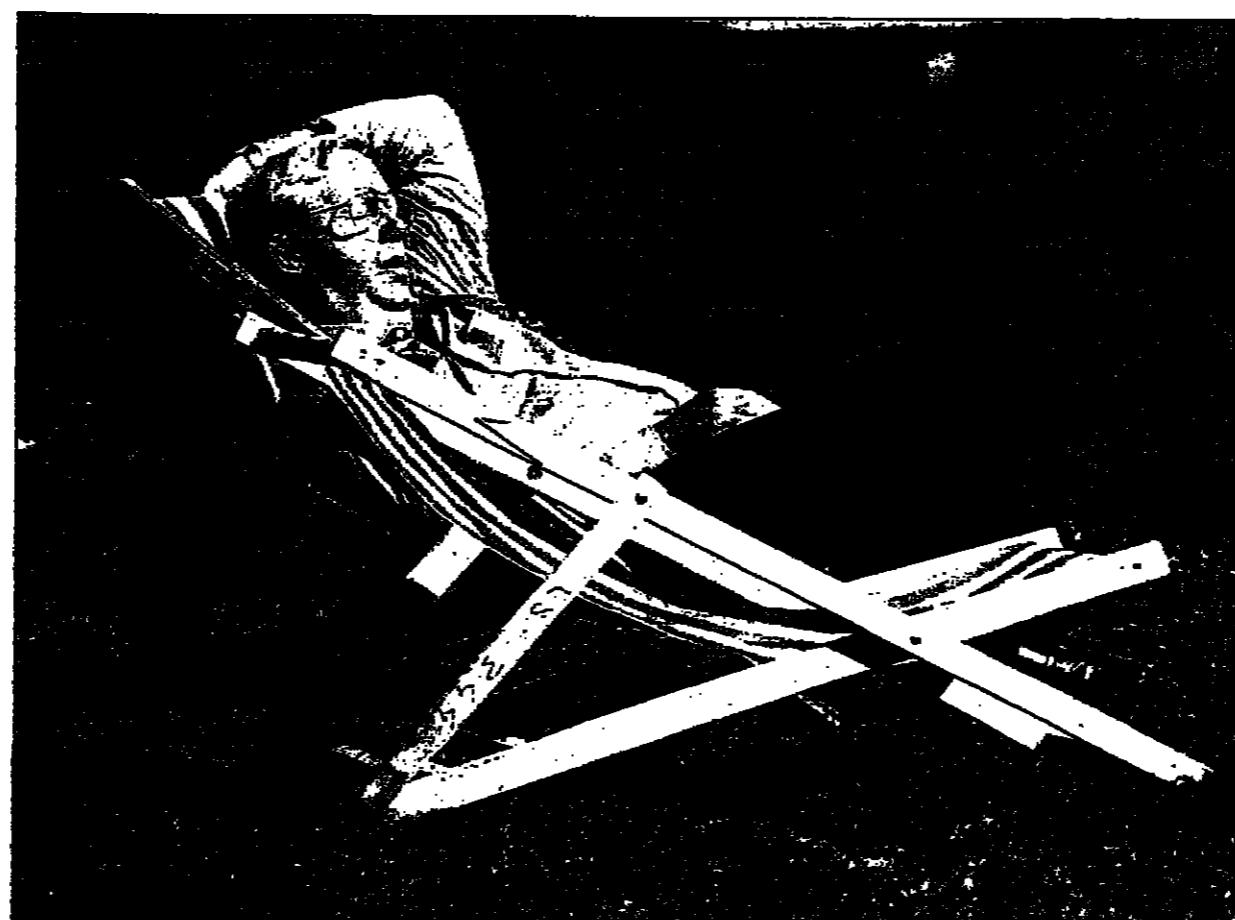
The champagne bubbles had barely settled in Mark Gardiner's glass before he was known throughout Britain as the Lottery Rat. Within hours of sharing a £2.6m jackpot with his business partner, Paul Maddison, last year, his ex-wives and girlfriends queued up to denounce him as a drunken rotter.

"I don't want a penny... because I know the more he has the quicker he'll kill himself," said Nicky Castle, mother of Mr Gardiner's four-year-old daughter. Even his mother said she did not want his money. Mr Gardiner, 33, has since married for the fourth time.



Peter Davies, the man who keeps an eye on how the National Lottery is run, might prefer not to be described as a high flyer. As the director-general of Oflot, the regulatory organisation for the lottery, he came under strong pressure to resign last year.

The £84,000-a-year official was unwise enough to accept free flights from GTECH, one of the partners in Camelot, which runs the lottery. Newspapers and some MPs said that this was a conflict of interest. Virginia Bottomley, the National Heritage Secretary, smacked him on the wrist and decided not to sack him.



Dream job: Tim Holley, Camelot chief executive, who got a bonus equal to half his salary. Photograph: Edward Webb

Reports by Jojo Moyes and Will Bennett

If you had just announced your first annual profits of £7m and had been given a bonus equal to half your salary, you might allow yourself a little nap – perhaps to prepare to export the lottery abroad.

Having faced a morning of criticism from MPs and charities, Tim Holley, chief executive of the Camelot lottery operator, allowed himself a brief rest in Green Park, London, yesterday.

The company's first annual results had laid bare the extent of Britain's lottery mania: punters spent £5.2bn on instant and weekly draw tickets in the past year, equivalent to the gross national product of Costa Rica, or more than Britain's contribution to the European Union.

Of this, just under half was given away in prizes, £1.416m went to good causes, the Government received a £577m tax windfall and Mr Holley received £120,000 in bonuses.

But far being reticent about the company's mammoth profits, Camelot bosses were yesterday decidedly bullish mood.

They revealed the company's efficiency was such that it had been approached to run similar operations abroad.

Indicating that these would be outside Europe, Mr Holley said: "It's early days and under our licence we're a single-purpose company but we would set up a separate company, which we're perfectly at liberty to do, and go and develop opportunities overseas."

And, despite criticisms that Camelot's monopoly had squeezed similar operations

out of the market, the company yesterday warned of the consequences if bookmakers were allowed to encroach on its territory.

"One of the things that is of major concern to us is the prospect of bookmakers being allowed to bet on lottery numbers. Estimates suggest that this could mean as much as £1bn a year off the revenue plan and, more importantly, £300m off the good-causes plan or nationally £2bn off during the remaining period of licence," said

The Labour MP Gerald Kaufman called for the nation

to be right: it's not a piece of cake. Today's figures prove they have had their cake and eaten it.

Peter Murphy, Camelot's financial director.

The company "was not afraid of competition", he said, but Camelot's effective return to the Government was much higher than any other organisation.

"The nation is the loser if bookmakers bet on the lottery."

The announcement of the higher-than-expected figures yesterday prompted an immediate protest, with the Virgin boss, Richard Branson, accusing the company of "having their cake and eating it".

The millionaire tycoon, who failed in a bid to run the lottery, joined a chorus of complaints

from MPs urging Camelot to give more of its net profits of £1m a week to charity.

Referring to the national press advertisements Camelot had taken in anticipation of the future, Mr Branson said: "No wonder Camelot had to take double-page ads saying that their job was not a piece of cake. They were right: it's not a piece of cake. Today's figures prove that they have had their cake and eaten it too."

The Labour MP Gerald Kaufman called for the nation

Minister said: Camelot bosses, who received hundreds of thousands of pounds in bonuses as a result of the company's performance, were equally sanguine. Mr Holley said that the profit after tax of £51.1m was in line with forecasts and should not come as a surprise to anyone.

"It's wholly wrong to assume that our profits will rise during the remainder of the licensing period. In fact, the amount we keep to operate the business will go down quite sharply as the amount going out in prizes and to good causes goes up," he said.

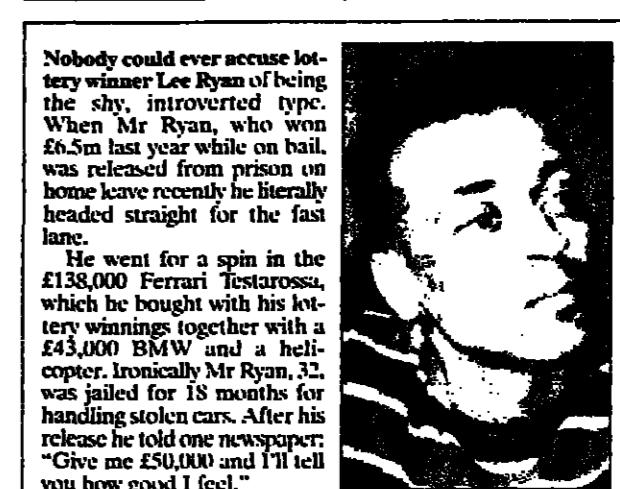
Mr Holley admitted that some smaller charities might have suffered since the introduction of the lottery. But he ascribed any image problem to the fact that the company's energies had been devoted to securing its success rather than "going round saying 'Please love Camelot'."

"In 18 months we have become the most efficient (lottery) in the world. That's due to working very, very hard – that's a wonderful achievement and I'm proud of it, not defensive of it," he said.

With a regulator and a seven-year licence, Mr Holley said, the company "did not feel like a monopoly. Nothing is given. We really do have to work at it. People don't have to buy tickets." Mr Holley said that in July the company would seek to have the £138m prize money surplus – created by fluctuating sales and earmarked for the five good-causes funds – re-invested in the prize pool.



A year after December 1994, when he won Britain's biggest lottery jackpot (£17.9 million), Mukhtar Mohidin and his wife, Sayeeda, were suing one another, he was being sued by his best friend for some of the winnings and he was plagued by begging letters. Now Mr Mohidin, 41, and his wife have patched things up and they have moved into a new £500,000 house.

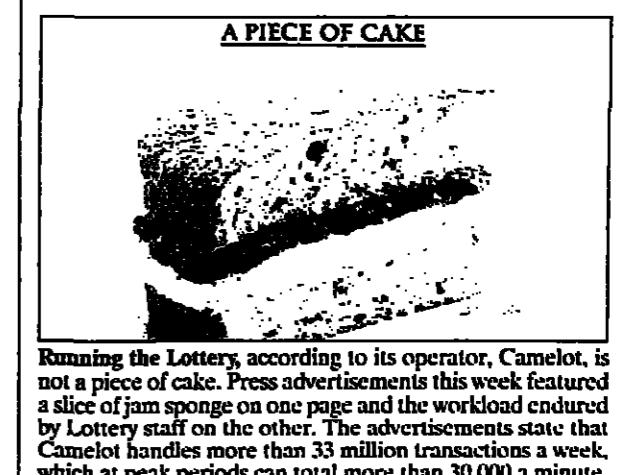


Nobody could ever accuse lottery winner Lee Ryan of being the shy, introverted type. When Mr Ryan, who won £6.5m last year while on bail, was released from prison on home leave recently he literally headed straight for the fast lane.

He went for a spin in the £138,000 Ferrari Testarossa, which he bought with his lottery winnings together with a £43,000 BMW and a helicopter. Ironically Mr Ryan, 32, was jailed for 18 months for handling stolen cars. After his release he told one newspaper: "Give me £50,000 and I'll tell you how good I feel."



There is life after the Lottery. Gordon Kennedy, Anthea Turner's sidekick when live-TV draws started, is proof. Critics called him amateurish, but since then he has helped from BBC's live Hogmanay TV show last New Year's Eve and is now chairing a series on the greatest British sports personality of the century.



A PIECE OF CAKE

Running the Lottery, according to its operator, Camelot, is not a piece of cake. Press advertisements this week featured a slice of jam sponge on one page and the workload endured by Lottery staff on the other. The advertisements state that Camelot handles more than 33 million transactions a week, which at peak periods can total more than 30,000 a minute.

## Police arrest 10 in drive against football violence

STEVE BOGGAN

Police acting on information from the national Football Intelligence Unit arrested 10 men in the north and south of England yesterday as part of an effort to stamp out hooliganism.

The arrests take to more than 30 the number of suspects held by police in advance of the Euro 96 football championships which kick off on Saturday.

The Association of Chief Police Officers fell short of saying recent operations in Newcastle and yesterday's raids in Manchester, north London and Essex were co-ordinated, but a spokesman said most law-abiding fans would be delighted.

During the operations in north London and Essex, officers recovered weapons, including an ornamental sword, a bayonet, a flick knife, a knuckle duster and a lock knife. Detectives also impounded four tickets for England's opening game against Switzerland at Wembley and six for the potentially volatile match against Scotland on 15 June.

Six men were arrested at a number of addresses. A seventh gave himself up later. A Scotland Yard spokeswoman said a variety of charges were expected to follow last night.

The raids, codenamed Operation Take-off, were the culmination of inquiries into violence at the Arsenal v

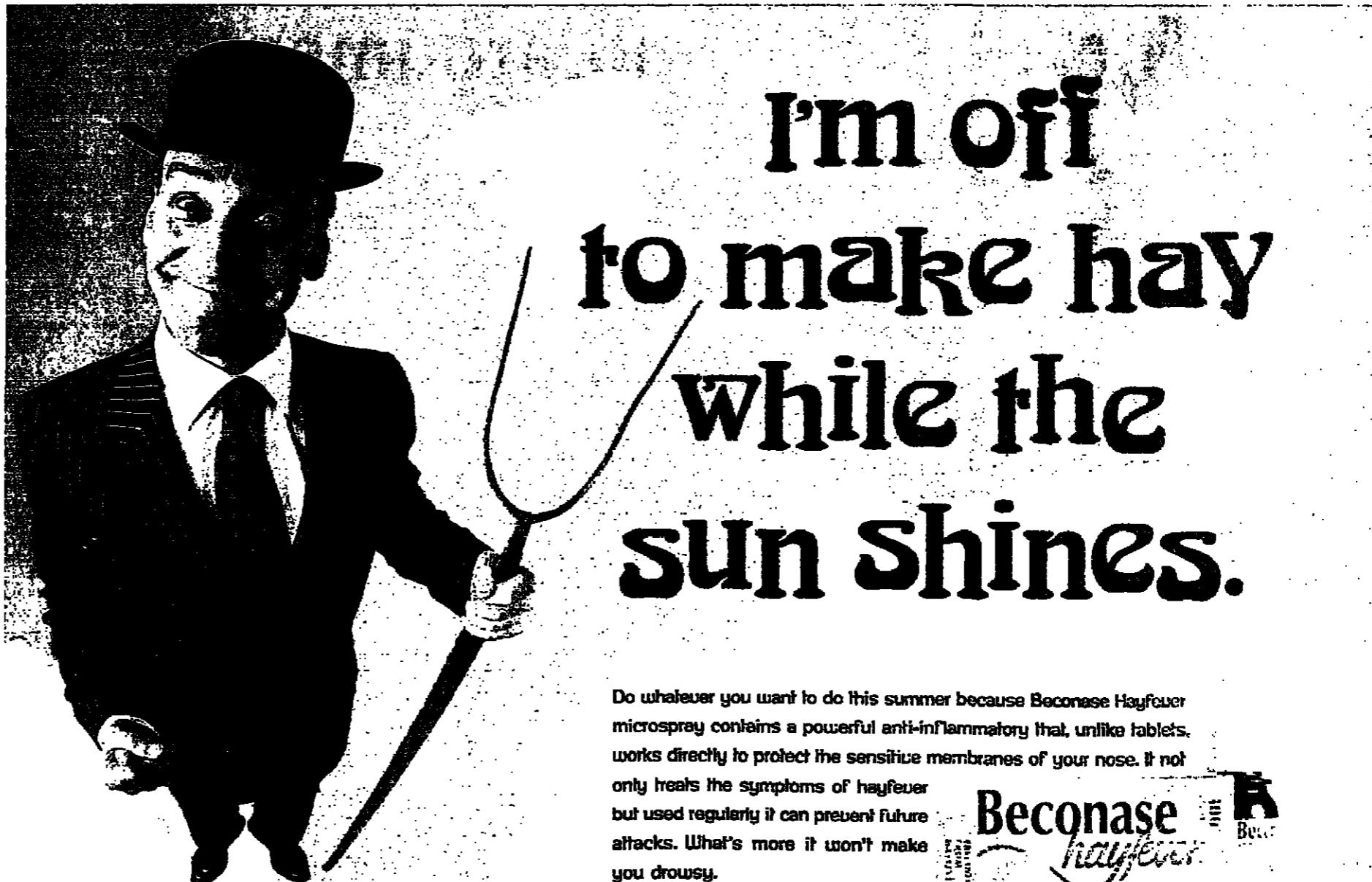
Tottenham Hotspur match in April. But they are perceived as preventative measures against trouble at Euro 96.

Detective Chief Inspector Dave Crompton, who headed the operation, said: "We want to send out a strong message to the football hooligan fraternity that football violence won't be tolerated and investigations will continue long after the European Championships have finished."

After the arrests, the police issued pictures of six more men they wish to interview who were captured on video during disturbances. A "rogues gallery" of suspects published after trouble in Newcastle last month resulted in more than 20 arrests.

The crackdown continued in Greater Manchester yesterday, when police investigating the extremist right-wing group, Combat 18, arrested three men in raids on a house in Oldham. A spokesman said officers had been investigating the distribution of racist material in Oldham and allegations of criminal damage. Documents and videos were seized, which will be examined to establish whether the group has links with right-wing extremists on the Continent.

"It is understood the men arrested have international connections and their involvement in planned violent confrontations at Euro 96 cannot be discounted," the spokesman said.



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Waiting for the millennium: a derelict site in Birmingham which might even go it alone, funded by local entrepreneurs and business, to bring the celebrations to the city. Photograph: Joel Chant

## Birmingham poised for festival revenge

CHRIS BLACKHURST  
Westminster Correspondent

Michael Heseltine, the Deputy Prime Minister, launches a last-ditch attempt today to persuade business chiefs to back the giant Millennium Exhibition planned for Greenwich.

As he does, new details have emerged which show that Birmingham, the rival site, has the financing in place and the overall cost of its project would be much less.

Figures obtained by *'The Independent'* reveal that Birmingham already has firm indications of support from, among others: the multi-millionaire Richardson brothers, who made their fortune developing much of the West Midlands; Pertemps, a large employment agency; EMAP, the media group; Blenheim, the major trade show promoter and the West Midlands Busi-

ness Focus Group which represents many major local businesses.

Roger Dickens, chair of the Business Focus Group, said its members Tarmac, Lucas, Caparo, Waggon, IMI as well as local chambers of commerce, had all promised support.

Don Richardson, one half of the Richardson twins, said yesterday they were prepared to inject £50m of their own money to bring the exhibition to Birmingham.

So far, no entrepreneur has come forward with anything like a similar amount for Greenwich.

The NEC, where the Birmingham version would be held, will also put up another £50m. All profits from the event, expected to be £20m, would also be reinjected back into the cost of putting it on.

John Cole, marketing director of the NEC, said several other

large commercial organisations had committed funding. In the meantime, the cost of transforming the 300-acre Greenwich peninsula, presently a disused gas works, to accommodate the massive exhibition will be much higher than previously declared.

Officials at the Millennium Commission, which has committed £200m of National Lottery receipts to the project, are now talking in terms of a £500m event, as opposed to a widely-quoted £400m.

On top of that, refurbishing the area and providing the sort of long-term quality improvements businesses will seek is £200m, bringing the overall cost of to £700m.

Birmingham politicians and entrepreneurs are so keen to host the Millennium Exhibition that they are even talking of going it alone and putting on their own. Organisers have asked them to bide their time.

**Scouts chief says Dunblane killer was 'blacklisted'**

JAMES CUSICK

Concerns about Thomas Hamilton might have been raised earlier if a central register of adults working with children had existed inside Britain's Scout movement the Dunblane inquiry in Stirling heard yesterday.

The call for a central register of all adults with records of working with children was made by David Sheldene, chief executive of the Scout movement in Scotland at the inquiry before Lord Cullen into the massacre of 16 children and their teacher at Dunblane Primary School on 13 March.

Mr Sheldene gave details of the withdrawal of the Scout master's warrant from Hamilton, who had had links with the movement since 1973. He said that in 1974, following a chaotic trip to Aviemore on which Hamilton was in charge and failed to organise proper accommodation, the Scout movement had "blacklisted" Hamilton.

Years of complaints, including letters to the Scouts, followed. In 1983 Stirling's local authority ombudsman upheld a complaint by Hamilton that he was being unfairly treated by Central region which had cancelled lets in school properties for the boys clubs he ran.

### DAILY POEM

**Viento, Agua, Piedra:**  
Wind and Water and Stone

By Octavio Paz

*El agua horada la piedra  
el viento dispersa el agua  
la piedra detiene al viento.  
Agua, viento, piedra*

The water beloved the stone,  
the wind dispersed the water,  
the stone stopped the wind.  
Water and wind and stone.

*El viento esculpe la piedra,  
la piedra es copa del agua  
el agua escapa y es viento.  
Piedra, viento, agua*

The wind sculpted the stone,  
the stone is a cup of water,  
the water runs off and is wind.  
Stone and wind and water.

*El viento es en sus giros canta,  
el agua al andar murmura  
la piedra inmóvil se calla.  
Viento, agua, piedra.*

The wind sings in its turnings,  
the water murmurs as it goes,  
the motionless stone is quiet.  
Wind and water and stone.

*Uno es osto y es ninguno:  
entre sus nombres vacíos  
pasan y se devanecen  
agua, piedra, viento.*

One is the other, and is neither:  
among their empty names  
they pass and disappear.  
water and stone and wind.

Octavio Paz was born in Mexico City in 1914. He joined the diplomatic service in 1945 and in the early Sixties was posted to India as Ambassador. Recipient of the Nobel prize for literature in 1990, he is Latin America's greatest living poet. Neruda's natural and worthy successor. On Monday he will read in London for the first time in 20 years. His many poetry collections include *Sunstone*, *A Draft of Shadows* and *Double Flame: Essays on Love and Eroticism*.

Octavio Paz will read his poems in Spanish, followed by English translations read by Charles Tomlinson, at the Queen Elizabeth Hall at 7.30pm on Monday 10 June. Box office: 0171 960 4342.



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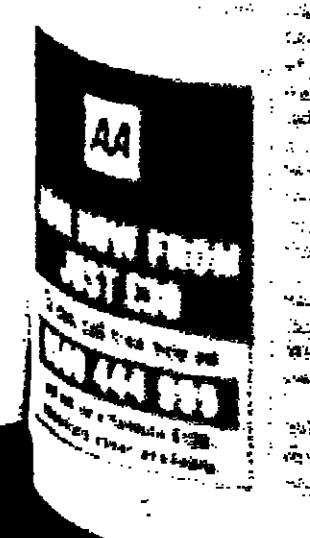
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For better, for Worcester: A historic city takes a calculated risk by urging commuters to leave their cars at home for a day

## Actually, we would rather drive

RICHARD SMITH  
Worcester

About 1,600 commuters changed the habit of a lifetime yesterday when they swapped cars for bicycles and their own two feet.

Worcester's first "Car Free Day" was devised to prove that the stranglehold cars have on Britain's historic cities can be broken.

While some commuters swapped their motors for public transport, others took to scooters and even penny farthings.

Worcester, bisected by the river Severn, has endured ever-worsening snarl-ups caused by 12,500 vehicles either entering or moving within the city boundaries during each morning rush-hour.

Environmental health officers believe the city's medieval street pattern – a mix of narrow roads and tall, tightly



Arch rivals: In some places even three cars is a crowd

packed buildings – makes air pollution difficult to disperse. Yesterday, the Cathedral ferry across the Severn was reopened for the day and many commuters turned to public transport.

Although 1,608 cyclists and

passengers city-bound. The city's chief engineer, Andy Walford, said: "The scheme was run on a shoestring budget of £2,000 and I think it's been an enormous success.

The reduction in traffic may sound small but it's had a big effect. Around 2,500 vehicles an hour cross Worcester bridge and at 8.15am the traffic is normally very much stop-start but today it was free-flowing.

"Cars add viability to the city but they are also destroying it because people are not managing use of their cars sensibly.

"Unless action is taken, journey times will become longer, our children will be poisoned by the fumes and we will eventually face paying automatic city road tolls for travelling from one zone to another."

Research has shown that three-quarters of Worcester residents travel less than three miles to work, but more than half go by car.



Way to row: For some, a leisurely push across the water was bliss. Who ever heard of river rage?

## Teenage dream without the spots

GLENDA COOPER

They are self-indulgent, well-off, eager to travel and they want to attract the opposite sex. In essence, today's 20- to 34-year-olds are living the life of the teenager combined with more money, and less acne.

The Dinks (double income, no kids yet) of the 1980s are alive and well in the 1990s it seems. Fewer responsibilities and higher disposable incomes mean that priorities for this age group include buying a new car, taking good holidays and paying off non-mortgage debts.

Mintel, the market analysts, interviewed 1,500 adults aged between 20 and 34 who were in the "pre-family" lifestyle. Their findings suggest that, unlike other age groups, 20- to 34-year-olds are optimistic about the future and have adjusted well to today's job-market uncertainty.

One in five singles claims work is the most important thing in their lives compared to one in twenty couples. But a third of 20- to 34-year-olds consider they work too many hours.

Three out of four feel that jobs for life no longer exist and take a more adventurous attitude to work as a result. Four out of ten say they want to work abroad in the next ten years, and nearly the same amount aim to develop their own business. This is compared to less than 20 per cent of all adults.

As the millennium approaches the number of adults aged 20 to 34 will decrease. And it is estimated that as many as 20 per cent of today's 20- to 34-year-olds will remain childless.

As many as 17 per cent of all pre-family adults agreed with the statement: "I prefer not to

have children" and those aged 25-34 were more likely to say so than those in their early 20s.

Angela Hughes, Mintel's consumer research manager said: "Delaying childbirth means that a higher proportion than ever of adults without families will have no one to spend their money on but themselves and possibly a partner.

"A number of factors are combining to create this trend; including the necessity of a dual income to maintain a reasonable lifestyle and better educational and career expectations among today's women."

Without children, this particular social group has more money to spend on themselves.

Men in the pre-family group have a more positive attitude to clothes shopping. But men are also more likely than women to be fashion victims with 16 per cent, compared with less than one in ten pre-family women, saying they buy whatever is in fashion each season.

There are glimmers of hope for equality in terms of domestic tasks as married or cohabiting men are more likely than their single equivalents to say they enjoy cooking.

Outside the home, however, for this stylish, self-conscious age group, there are great differences in the way the sexes want to be seen. Pre-family women seem to have a more sober outlook on life than men, wanting to be seen as loyal, intelligent, sensible and sensitive. Men, on the other hand, want to be seen as active, sporty and attractive to the opposite sex. Some things never change.

■ *Pre-family Lifestyles*, Mintel, 18-19 Long Lane, London EC1A 9HE: £8.95

## Huge damages for libelled councillor

STEVE BOGGAN

A county council leader who was accused of corrupt share dealings with the disgraced media tycoon, Owen Oyston, accepted six-figure libel damages yesterday from the *Sunday Times*.

David Bookbinder, former Labour leader of Derbyshire County Council, described the seven-year libel case as "a nightmare" and estimated that the story had cost the newspaper

"just under a million" in costs and damages.

Five years ago, the *Sunday Times* paid out an estimated £1.2m in costs and damages to Oyston – who was jailed for the rape of a 16-year-old girl last month – over the same story.

Together, the two payouts make the allegations the most costly ever made by a newspaper.

Yesterday's settlement, made only minutes before a full-scale libel hearing was due to begin at the High Court in London, has its roots in a article published in September 1989 about a joint venture between between Mr Bookbinder and Oyston. The article alleged a corrupt relationship between the two men.

A second article focused on movements of shares between the county council and the Miss World Group, which was also owned by Oyston.

Subsequent inquiries by the Takeover Panel, the City watchdog, cleared all concerned of impropriety.

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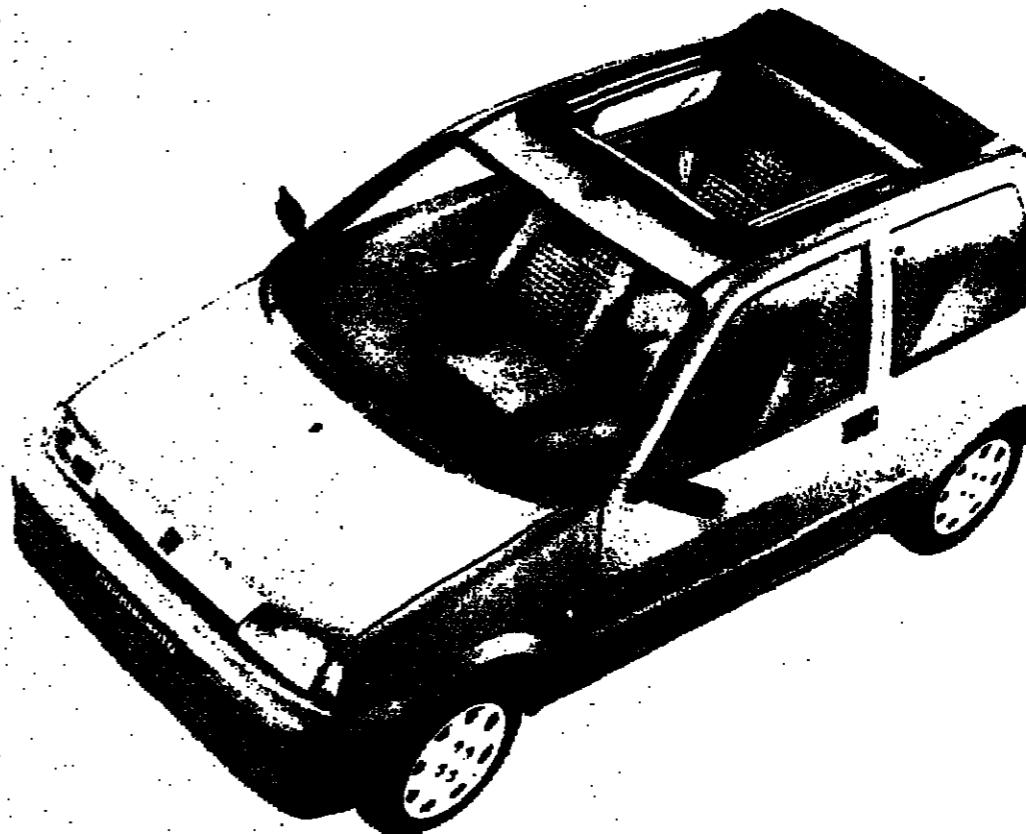
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## Why Sir Edward is the soul of discretion

DONALD MacINTYRE  
Political Editor

Some disappointed pro-European Tories are blaming plans for a glittering No 10 celebration of Sir Edward Heath's 80th birthday on the former prime minister's uncharacteristic silence over the Government's handling of the beef crisis.

While other leading, and

normally more moderate, pro-Europeans such as Douglas Hurd, the former Foreign Secretary, have warned ministers against engaging in prolonged "trench warfare" with the EU over the ban, Sir Edward has so far said nothing on the burning European issue of the day.

One prominent MP on the pro-European wing of the party suggested privately that Sir Edward was deliberately re-

straining himself out of courtesy to the Government because of plans by John Major for a dinner on 17 July, to be attended by the Queen.

The 60 or so guests are expected to include Valéry Giscard d'Estaing; former West German chancellor Helmut Schmidt and Mrs Schmidt; Lord and Lady Whitelaw; the Speaker, Betty Boothroyd; Sir Peter and Lady Ustinov; Lord

and Lady Menzies; and Sir Robin and Lady Butler.

The dinner will be followed next day by a celebration at the Savoy Hotel to be hosted by Sir Edward himself.

The truth, however, appears more complicated. First, Sir Edward may well pronounce on the beef issue before the celebrations.

Plans are under way for a newspaper article in which Sir

Edward is likely to try to explain to a British audience why public opinion in some other European countries is so disturbed by what they regard as the danger of BSE-infected beef.

Second, Sir Edward has been heavily absorbed recently in his memoirs. One friend says his main preoccupations now are located "somewhere in the 1950s" as he records half a century in public life.



At risk: Outdoor workers are urged guard against skin cancer. Photograph: Brian Hems

## Macho workers seek shade

LIZ HUNT  
Health Editor

Outdoor workers who bare their chests (or backs) at the first hint of summer are to be targeted in a new campaign by local authorities to prevent skin cancer.

The workers - usually men - have proved resistant to health education efforts to persuade them to cover up and to use suncream, and they remain one of the groups most at risk from skin cancer, particularly non-malignant forms.

Now local authorities are being encouraged to overcome the stubborn attitudes of workers by

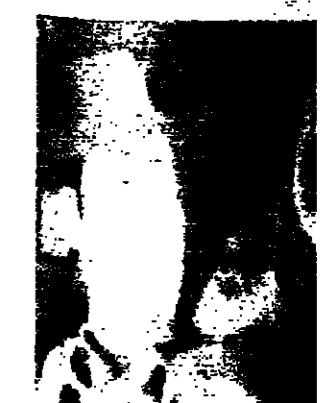
focusing on one particular worker with influence over his peers. New guidelines published yesterday by the Chartered Institute of Environmental Health and the Health Education Authority cite the example of a "charismatic" refuse collector in North Yorkshire who persuaded his colleagues to play safe in the sun.

Katie Aston, the HEA's skin-cancer campaign manager, said the authorities had a responsibility to all outdoor workers, whether employed directly or by contractors. She urged them to develop prevention policies and adopt flexible working hours so workers could avoid the hottest parts of the day. Providing ex-

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## Mitchell tipped as 'supreme chairman' of all-party talks

NICHOLAS TIMMINS

Public Policy Editor

Mechanisms to overcome major obstacles to releasing the £5bn local authorities hold from council house sales were proposed yesterday by the Chartered Institute of Housing.

Labour is committed to a phased release of councils' capital receipts, to meet an estimated shortfall of 500,000 homes and counter the decline in the construction of local-authority and housing-association homes for rent.

But while councils hold about £5bn in receipts from sales, according to a new survey conducted for the institute by the accountants KPMG, much of the money is in the wrong place.

Councils such as Bromley have receipts running into tens of millions of pounds, but relatively little housing need. Others with high needs, such as Newcastle and Birmingham, have zero receipts.

Under Government rules, local authorities can spend only 25 per cent of their receipts on new housing investment. The remainder has to be held as balances or used to pay off debt.

Taking away money from capital-rich authorities and redistributing it is not on, says the report, *Boosting Housing Investment Through Capital Receipts*. It proposes a formula allowing all authorities to use a minimum of their receipts for housing investment.

Sums held above that would be used to pay off debt by capital-rich authorities, or held as balances, but would then be credited to a national housing investment pool, which would be allocated to councils on the basis of need.

■ *Boosting Housing Investment through Capital Receipts*, CIH, 01205 694433.

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Mitchell: respect for his review is widespread

the talks.

Mo Mowlam, the Labour Party spokeswoman on Northern Ireland, last night gave her support to Senator Mitchell.

Setting out Labour's policy on Northern Ireland, she declared:

"Surely all parties would welcome external assistance again now to help bring peace to these islands."

She said Mr Mitchell did a "very positive and competent job" with two other members of the international commission "and should be invited back to assist on delicate negotiating issues".

David Trimble, the Ulster

"Some of the difficulties at present faced over the thorny issue of decommissioning are, I fear, as a result of people or parties positioning themselves to avoid blame and to save face," she added.

Mr Mitchell won widespread respect for his handling of the review of decommissioning of IRA weapons, which paved the way for Monday's cross-party talks.

Sir Patrick and Mr Spring resumed their talks late last night, underlining the difficulty of resolving the final details.

It is understood that they also had difficulty resolving an agreed time-scale for dealing with IRA weapons.

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However, Mr Trimble took a hard line with Mr Major on Monday and it may prove difficult to persuade the unionists to avoid a deadline.

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The IRA said that the prospects for a renewed ceasefire ahead of next Monday's all-party talks on Ulster's future were "extremely remote".

A senior IRA source told the BBC that the Provisionals remained ready to "enhance the potential for real and meaningful peace talks".

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Sums held above that would be used to pay off debt by capital-rich authorities, or held as balances, but would then be credited to a national housing investment pool, which would be allocated to councils on the basis of need.

■ *Boosting Housing Investment through Capital Receipts*, CIH, 01205 694433.



Pavarotti: Should he lose 8 of his 24 stone in a month?

TAMSIN BLANCHARD

Luciano Pavarotti has about as much chance of losing the recommended eight stone before his appearance with Elton John in New York at the end of the month as the fine-boned *Vogue* waif Trish Goff has of gaining eight pounds.

The 60-year-old pasta-loving opera star weighs in at 24

stone, four stone more than when he sang at the Royal Opera House in Covent Garden, London, in 1992.

His attempts at dieting – only two pasta meals a week and no bread or alcohol – have not paid off; one can only assume that the jogging machine his girlfriend, Nicoletta Mantovani, bought for him in April has collapsed under the strain.

Pavarotti will have received a severe jolt when he heard of the fate of Richard Versalle, the 63-year-old tenor with New York's Metropolitan Opera who died on stage of a heart attack last month. With a grim irony, he had just sung the line, "too bad you can only live so long".

Pavarotti is in a no-win situation, putting either his health or his career at risk. Exercise would

strain his heart too much, and if he were to lose too much weight, the resonance of his vocal chords would suffer and his fans would forsake him overnight. But his obesity has caused him to cancel several concerts, blaming laryngitis. His real problem is breathlessness, and who would not be short of breath carrying around the equivalent blubber of a small whale?

Perhaps he should invest in a copy of *Men's Health* magazine. The June issue has a free supplement giving 101 men's health secrets. A whole section offers advice on "how to drop 10lb fast". Pavarotti could try some cunning tricks like speeding up his metabolism with chilli peppers and other hot spices, or listening to soothing music while eating (allows you down and stops you gulping down great vats of pasta).

The ultimate sacrifice for serious dieters is to sign up with Weight Watchers. Even then, you are only guaranteed a loss of half a stone in the first three weeks. One successful client did lose nine stone, dropping from 19-stone-plus to just over 10. But it took her five years.

Dell Gibbons, diet and nu-

trition editor of *Slimming* magazine, described Pavarotti as "morbidly obese – I certainly wouldn't imagine it would be safe to lose that amount of weight in less than a year". Instead, Ms Gibbons advised him to aim for two pounds a week. "To lose eight stone would probably have to cut off," she said.

Leading article, pag

## Pavarotti's slim hope of singing without his supper

# Obscene reality faces poor drama students

MARIANNE MACDONALD  
Arts Correspondent

Far from living the life of Riley, Britain's drama and dance students often endure appalling privation while training. It has emerged. Many have to work in restaurants, bars and even obscene phone lines in order to pay their £6,000-a-year fees.

Principals of drama schools said the situation has become so bad that they have had to set up emergency food stores for students, or buy them meals from their own pockets.

Some students have had to drop out halfway through their courses because a parent died or could no longer afford the fees. Many others were unable to take up places at all.

These bleak facts were revealed yesterday at the launch

of a report which outlines the difficulties experienced by drama and dance students in getting state funding.

Unlike university undergraduates, drama and dance students depend on discretionary awards from local education authorities (LEAs), which often choose not to fund their relatively expensive training.

More than one in four LEAs refuse to grant any such awards, said the survey, conducted by the National Foundation for Educational Research. And less than half of the 109 LEAs in England and Wales which do give awards are prepared to pay the full amount – about £30,000 over three years – necessary to pay fees and living expenses.

Last year, the number of students given dance or drama awards fell by 12 per cent and

the total cash expenditure by 13 per cent. Music and art students receive mandatory grants.

Dame Diana Rigg, the actress who gained international fame in *The Avengers*, has described this trend as "very, very dangerous". Forty years ago, she danced before ten gentlemen at Leeds Town Hall to win a grant to go to RADA. At that time there was a trend towards investing in dance and drama.

"Now the trend is being reversed," she said. "About ten years ago, I started getting letters from drama students who needed help with their fees. Some had places but couldn't afford to go. Others had done two years of their courses and then their grant was cut."

Simon Woods, the general manager of the Birmingham School of Speech and Drama, said ninety per cent of his students had to work on phone lines and in bars and restaurants to help pay their fees.

"The father of a student of ours became disabled two years into her course," he said. "She's now facing the prospect that she can't finish her training."

The college has had to set up a store of food – mainly pasta and canned tomatoes donated by supporters – to issue in emergencies. Students request supplies on a weekly basis.

Brenda Kaye, administrator of the Drama Centre in London, said many of her students are forced to live at home and travel hundreds of miles to and from college every day.

"We have students who cannot afford to eat," she said. "Members of staff pay for their meals out of their own pockets."

## A stage too far for young Worthingtons

Noel Coward's celebrated lyric can now be amended. "Don't put your daughter on the stage. Mrs Worthington – unless you and Mr Worthington are prepared to pay for her training."

The Gulbenkian report highlights the utter illogicality of a system that gives mandatory grants for art and music education, but none for dance and drama. An aspiring actor offered a place at Rada or another drama school is likely to have to find £7000 out of his or her own pocket, or more realistically his or her parents' pockets.

Rada's working-class heroes, from Albert Finney to Jane

### Analysis

Horrocks, are likely to become a phenomenon of the past.

This may be music to the ears of Hollywood producers who can now look forward to a stage army of Hugh Grants and Helen Bonham Carters to bolster their image of Merchant Ivory Britain. But it is a depressing scenario for aspiring stars, in both dance and drama, not possessed of rich parents. It is small wonder that some in the profession yesterday seized

on the idea of lottery cash being used to pay part of the tuition and maintenance costs of dance and drama students. It is an idea that has already seized the imagination of the Heritage Secretary, Virginia Bottomley.

Here would be a chance to throw money at real people, young people, poor people, talented people.

It is a temptation hard to resist in the run-up to the election, and one she is keen to see realised despite the opposition of Lord Gowrie, chairman of the Arts Council, which distributes the lottery cash.

But lottery cash is an unpre-

dictable planning tool, and, who knows, could in future years be diverted from the arts to other areas.

Mrs Bottomley and Gillian Shephard at the Department of Education and Employment need to see dance and drama students not as "good causes" who could benefit from lottery cash but as legitimate higher-education students, meriting mandatory awards.

The alternative is a class-based profession which puts private income above talent. A recipe for true luvvies.

David Lister



It's a tough world out there: second year contemporary dance students go through their paces at Laban Dance School

Picture: PHILIP MEECH

## Channel promise no end to 'Street'

Coronation Street addicts look forward to four doses and five at weekends as Granada Sky Broadcast starts in October, it announced yesterday.

Classic episodes from 35-year-old soap form the bone of Granada Plus in a seven-channel service for and satellite.

Old black and white epics from the late Sixties or Seventies are likely to be on weekdays, repeated at 1.30pm, 6pm and 9pm.

Two-and-a-half-hour weekend omnibus may pick special events such as the and loves of Elsie Tanner's celebration of Annie Walker's many wed and, of course, Bel Lynch.

Granada Plus will feature drama from the company archives and those of its company LWT, incl. *Upstairs, Downstairs*, *Shetland*, *Holmes* and *The Professionals*.

Four Good Life shows will be created by the Morning team, including a summer channel, TV High 5 with the astrologer Richard Grant, Food and Wine, chefs such as Delia Smith, Keith Floyd, Health and Safety and Home and Garden.

Good Life will be broadcast 12 hours a day and each one will have a three-hour

There will also be a night men's channel at which makers promise will up on the popularity of zines like *FHM* and *Loaf*.

The seventh channel is a hour Granada Talk TV featuring Sir David Frost.

## 2 FOR 1 ODEON CINEMA TICKET OFFER WITH THE INDEPENDENT



Toy Story



Spy Hard

To celebrate 100 years of British cinema we have linked up with Odeon Cinemas to offer all readers two tickets for the price of one at participating Odeon Cinemas throughout the UK. Among the films showing next week are *Primal Fear*, *From Dusk Till Dawn*, *Mr Holland's Opus*, *Muppet Treasure Island*, *Spy Hard*, *The Bridget Jones's Diary*, *Copycat*, *Things to Do in Denver When You're Dead*, *Toy Story*, *Executive Decision* and more.

**How to Qualify**  
The offer is valid until Thursday 13 June 1996. Simply collect three differently numbered tokens from the twelve we will be printing in The Independent and the Independent on Sunday. Token 5 is printed today; Token 6 will be printed in The Independent tomorrow. Attach them to the voucher which will be printed on Thursday 6, Sunday 9 and Wednesday 12 June. Then take the voucher to a participating Odeon Cinema to qualify for your free cinema ticket when you purchase another. To find out where your local Odeon Cinema is simply call Talking Pages on 0800 609900.

**Copra** (certificate 18), starring Sigourney Weaver and Holly Hunter, is a classic suspense thriller about a race against time to find and stop an obsessed serial killer on the loose in San Francisco. *From Dusk Till Dawn* (certificate 18), tells the story of the notorious Gecko Brothers (George Clooney & Quentin Tarantino), two of America's most dangerous criminals, who are on the run from

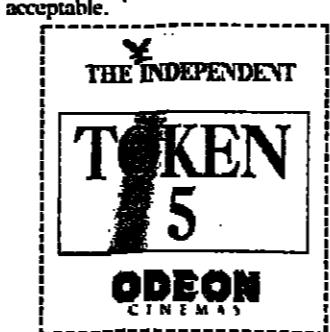
the Texas police and the FBI after a crime spree through the Southwest. Also starring are Harvey Keitel and Juliette Lewis. *In Muppet Treasure Island* (certificate 15), the Muppets are back and ready to cast off and set sail on their zaniest adventure ever, as they encounter pirates, buried treasure and some angry warthogs in Walt Disney Pictures' all-new, live-action musical feature.

*Spy Hard* (certificate PG), stars Leslie Nielsen as Agent WD-40, a.k.a. Steele-Dick Steele in a comedy of high-voltage adventure, high-tech gadgetry and low-brow humour.

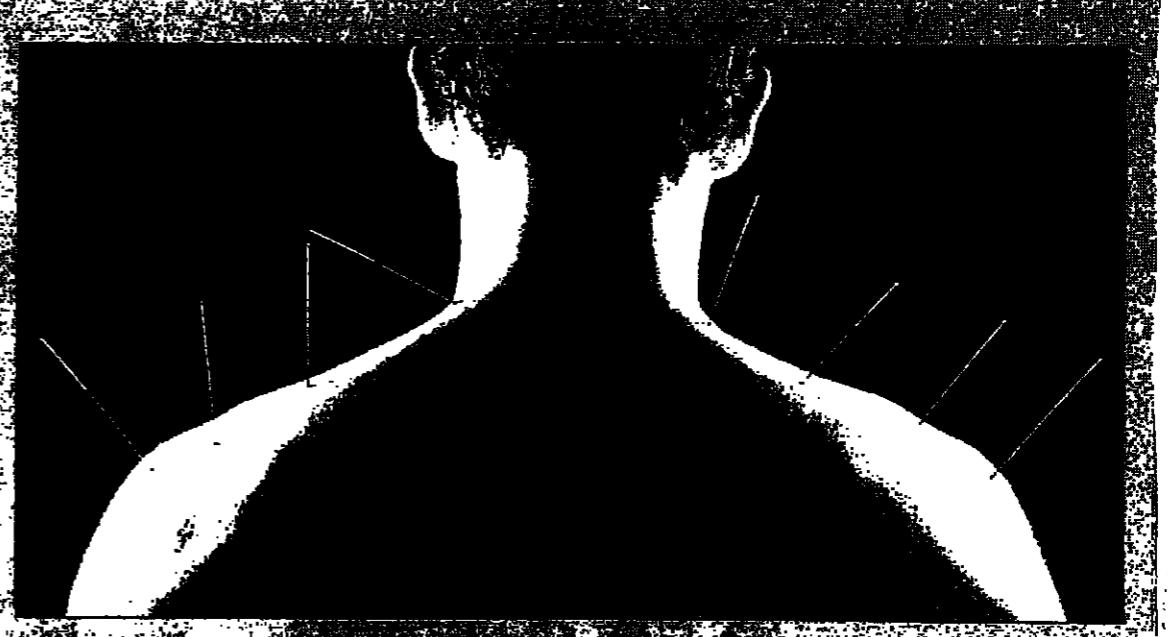
In *Toy Story* (certificate PG), six-year-old Andy's toys have a life of their own when left alone. Led by Andy's favourite toy Woody, the toys live a quiet life of dedication to their master. All this is thrown into jeopardy on Andy's birthday, the most dreaded day in the life of a toy, when the fear of being replaced by another toy can become a reality. *Primal Fear* (certificate 18), stars Richard Gere as the arrogant and successful criminal defence attorney Martin Vail. He loves a good fight and the media spotlight, both of which he knowingly invites when he volunteers to represent a young man accused of murder. The victim is one of Chicago's most prominent dignitaries, and the defendant's guilt seems as evident as the blood found splattered on his clothes. However Vail does not concern himself with questions of guilt or innocence, all he cares about is winning.

ODEON CINEMAS

THE INDEPENDENT  
ON SUNDAY



ODEON CINEMAS



Until now, buying a cheaper private healthplan has meant compromising on the amount of cover you get. But Primesure, a new policy from Prime Health, actually gives you comprehensive cover – at a budget price.

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# international

## SIGNIFICANT SHORTS

Rescuers yesterday dug up human remains and belongings from a limestone crater beneath Florida's Everglades swamps which may have been the point of impact of a Valujet airliner which crashed on 11 May.

Salvage workers discovered the crater on Monday and immediately found more body parts and personal items than during earlier searches of the mud and water above the limestone base. Until then, only enough human remains to identify 24 of the 110 people on board had been found and less than half the disintegrated DC-9 plane. Meanwhile, a salvage worker faces up to 10 years' jail after two small pieces of the plane's wreckage were found at his home by FBI agents. Experts said one piece, a circuit breaker, could be important for the investigation of the crash. Michael Gadsden, 35, said he had just wanted "a couple of souvenirs". *Phil Davison - Miami*

The French Prime Minister, Alain Juppé, has outlined plans to reform the country's complex tax system starting with the introduction of a universal contribution to health costs to replace the differentiated contributions paid only by salaried employees. The reforms, to be phased in over a few years, have not been quantified: Mr Juppé said figures could be supplied in the autumn.

The reforms are intended to lighten the overall tax burden on people in work and are the government's response to charges that the combination of national insurance and taxes makes France one of the most heavily taxed nations in Europe. Taxes in France have increased over the last year with a two per cent rise in VAT and a new tax to help repay the debt run up by the welfare system. *Mark Henley - Paris*

An international medical aid agency said a cholera epidemic sweeping southern Sudan had killed at least 100 people in the last seven weeks. "The death toll only presents the tip of the iceberg as many areas in south Sudan are inaccessible to relief workers due to the civil war," said the Belgian branch of Médecins Sans Frontières. *for - Nairobi*

Attempting to keep his job after just missing a majority in elections, Premier Vaclav Klaus assailed plans by his rival, Václav Havel, for prolonged negotiations on a new Cabinet. Mr Havel met Mr Klaus and leaders of three other parties on Monday. While supporting Mr Klaus, the centre-right coalition for a new minority government, the President pointedly refrained from designating Mr Klaus as premier. *AP - Prague*

The FBI shut off electric power to the Montana ranch where anti-government activists known as Freemen have been holed up for 71 days, in an effort to renew negotiations. Neighbours say the Freemen have a generator with the ranch and plenty of diesel to power it. Turning off power is the latest step cautious US federal authorities have taken to push the Freemen into ending a stand-off sparked by the arrest of two Freemen leaders on fraud and in 1996 her charges. *Reuter - Jordan, Montana*

Syria is building a poison gas factory in the northern city of Aleppo which could constitute a major threat to Israel's national security, a German magazine reported. The weekly *Stern* said United States intelligence officials had used spy satellite photographs of the plant to their German counterparts, who were now checking if any Syrians were involved in the project. *Reuter - Rome*

Poland called an end on Monday to its search for the remains of legendary guerrilla Ernesto "Che" Guevara, who was executed in the jungle in 1967. Interior Minister Hugo San Martin said that the government had ended a definitive halt to the search which began last December near the south-eastern town of Vallegrande. Mr San Martin cited lack of reliable evidence as the reason for calling off the operation. *Reuter - La Prensa*

Desperately seeking her stolen pony, Snapper, an eight-year-old Kristina rang the bell of a ninth floor flat after a three-hour search and struck lucky. The man behind the door admitted stealing the pony in a drunken stupor, but as he refused to hand it over. Later, regretting the theft, he handed the pony into the lift and took it down to Kristina. Six police officers waiting outside. He was unable to give a motive for his drunken action. *AP - Copenhagen*

The alliance, oozing reassurance, was at pains to

Defence deal: Eastwards expansion of Western alliance to stop short of Moscow's borders



Wild frontiers: Soldiers from the Russian Interior Ministry patrol in Chechnya's capital, Grozny. East European countries, wary of the possible spread of military adventurism in what they regard as a volatile post-Cold War world. *Photograph: Reuter*

## Russians pull back from confrontation with Nato

IMRE KARACS  
Berlin

Russia appears to have agreed to Nato expansion in the east, in return for an alliance pledge that it will keep Western military hardware and troops well clear of the Russian frontier.

The shift, signalled by Yevgeny Primakov, the Russian Foreign Minister, in yesterday's Berlin meeting with his Nato counterparts, leaves the door ajar for some former Warsaw Pact member states to join Nato, while consigning other remnants of the defunct Eastern Bloc to a security limbo.

Western diplomats say that Mr Primakov told the private meeting he had "no objections to expansion, as long as it only has political consequences". Mr Primakov was said to have described the transfer of Nato materiel towards Russia's western borders as "unacceptable".

This [Primakov statement] shows a significant shift from the

soothing Moscow's concerns. "He has nothing to fear," said a Nato source. "There will not be massive movements of Nato troops or infrastructure towards the Russian frontier."

Although no concrete deal was struck - a decision about

previous stance, which entirely rejected expansion," said László Kovács, the Foreign Minister of Hungary. "The main thing is that the door remains open to seek further compromises."

Hungary is one of the aspir-

ing members likely to be admitted in the first batch of new Nato members.

The other immediate beneficiaries of Moscow's apparent volte-face are likely to be the Czech Republic and, perhaps, Poland.

Hungary, which already provides the logistical base for thousands of American soldiers serving in I-For in Bosnia, is confident the present military relationship will not, in the words of a Nato official, "become a one-night stand".

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The other immediate beneficiaries of Moscow's apparent volte-face are likely to be the Czech Republic and, perhaps, Poland.

Countries that do not make

the grade will be offered closer ties with Nato under its Partnership for Peace programme, which is to be upgraded to "more than a halfway house".

What that will mean in practice will be determined at the next Nato meeting in December, by which time its expected Russia's intentions will have become clearer.

After I-For's mandate expires in December.

Negotiations about accession will begin next year. Although the East Europeans had hoped for an earlier timetable, Helmut Kohl, the German Chancellor, called yesterday for a six-month delay, in order to keep the delicate discussions out of the maelstrom of domestic politics in the two key countries.

Nato enlargement is a factor in both the Russian and the United States presidential elections and, as Chancellor Kohl noted, "wisdom and circumspection" are scarcities at such a time.

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The two-day event concluded

with a statement that for the first time it is recognised as a real partner'

enlargement had already been tactfully postponed until after the Russian elections - Western officials concede that the formula may initially exclude Russia's immediate neighbours from Nato membership.

The Baltic republics, and perhaps even Poland, which has a short border with Russia around the Kaliningrad enclave, could thus fall victim to the rapprochement between East and West.

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This [Primakov statement] shows a significant shift from the

enlargement had

# Kenya damned by evidence of torture

DAVID ORR  
Nairobi

His quiet manner belies his self-confidence and assertiveness. Unlike many torture victims in Kenya, John Wamalwa is prepared to defend his rights and stay in opposition politics.

A 31-year old mature student, Wamalwa is still harassed by the police and still suffers pain from the beatings he received in prison last year. But he has not been cowed into silence.

This case forms part of the damning evidence Amnesty International has amassed against the Kenyan government. Torture of political prisoners and criminal suspects occurs routinely in Kenya, says Amnesty.

Mr Wamalwa — for his security has asked that a fictitious

name be used — was arrested at his home in western Kenya early last year. After being held in solitary confinement, he was taken one morning to a room where he was stripped and tethered. There, a group of men in suits interrogated him about membership of a guerrilla movement and about importing arms from Uganda.

"Over the following days I was beaten with sticks on the thighs and buttocks," says Mr Wamalwa. "I was also beaten very hard on the ears and once on my genitals until I bled. The warders got scared when they saw the blood and one day a man in a white coat came and gave me an injection."

"Back in the interrogation room, I was made to lie down naked with my legs in the air

while they hit my joints. In the cell I was prevented from sleeping and I could hear the cries of other prisoners."

After two weeks of maltreatment, Mr Wamalwa confessed to membership of FERA, an insurgency movement whose existence has never been proven by the authorities. He also admitted to a murder and to a train derailment which, it later transpired, had never occurred.

The charge of FERA membership was subsequently replaced by that of murdering two policemen. After six months in detention, in very harsh conditions, all charges were dropped. He was released in August.

"Many of those tortured are involved in grass roots opposition politics," says Dr Ling Kituyi, who has treated Mr Wamalwa and dozens of other torture victims at her clinic in Nairobi. "The torture is systematic and often continues after a confession has been extracted. Most people are too scared to seek legal redress or even medical treatment."

Dr Kituyi is Norwegian, married to a leading Kenyan opposition politician. She says common symptoms in torture victims include hearing and urinary problems, fractures and abdominal hernias.

Most of her torture patients come from an area of western Kenya which the ruling Kanu party declared its own in the wake of politically-instigated ethnic clashes in 1992.

Last year, scores of people in that region mysteriously disappeared. Many had been arrested; others went underground to avoid being picked up.

The Bungoma Group, of which Dr Kituyi is a member, has publicised these detentions and has helped secure the release of a few, though an unknown number are still being held.

In some cases where the authorities have been unable to make charges of sedition stick, detainees have been released only to be rearrested on criminal charges.

"Common torture methods," says Dr Kituyi, "include the application of electric wires to genitalia, immersion in water-filled pits and confinement in cold storage until paralysis sets in."

The location of the interrogation centres is unknown. The

Kenyan government denies their existence.

"Torture and beatings are an integral part of the police culture," says Maina Kiai of the Kenya Human Rights Commission. "There has been no condemnation of police who routinely beat up people."

Those who do speak out can find themselves censured. A magistrate who dismissed a case on the grounds that confessions had been extracted under duress, and who ordered an investigation of the police involved, was transferred away from the capital to a remote country area.

Amnesty International has called on President Daniel arap Moi's government to curb illegal police practices and to ratify the United Nations Convention against Torture.



Attacked: Daniel arap Moi

Gunmen kill wife of detained Nigerian leader

Nairobi — Gunmen in the Nigerian capital, Lagos, have assassinated the wife of the imprisoned political leader, Moshood Abiola, writes David Orr. Relatives of Mrs Kudirat Abiola, a vocal campaigner for her husband's release, said she died in hospital shortly after the attack yesterday morning.

Witnesses said Mrs Abiola was shot in the head and her driver wounded in the mouth. Surgeons at a Lagos hospital fought unsuccessfully to save her life. "She didn't make it," was the terse verdict of Dr Alex Eneli, at the capital's Eko Hospital. Mrs Abiola was shot through the forehead. Doctors say there was no exit wound.

Police are searching for a grey car that fled the scene of the attack near the Abiolas' home. The identity of the gunmen is unknown.

Mrs Abiola was a prominent figure in the campaign to secure the release from detention of her husband, Chief Moshood Abiola, widely regarded as the winner of the 1993 presidential election. The vote was annulled by the former ruler, General Ibrahim Babangida.

Chief Abiola has been held in prison on a treason charge since June 1994 for having proclaimed himself president in defiance of the military government of General Sani Abacha who seized power almost three years ago. The regime stands accused of corruption and of a blatant disregard for human rights.

Though not untainted by rumours of corruption, Chief Abiola is a symbol for many dissatisfied Nigerians, particularly in the Yoruba heartland of the south-west. A Muslim and a Yoruba, he bridges the divide between the alienated Christians of the south and the Muslims of the northern Hausa-Fulani dynasty, who dominate the power structures.

Nigeria has been isolated and criticised by the international community since the executions in November 1995 of the writer Ken Saro-Wiwa and eight other minority activists.

Last autumn, General Abacha announced a three-year transition period for return to civilian rule. But, at the last 13 years of almost constant military rule have shown the introduction of multi-party democracy is not a foregone conclusion.

Africa's most populous nation has been ruled by military regimes for more than 25 out of its 35 years of independence. At that time, several dictators have made promises of a transfer to civilian rule, which they have not carried out.

# Settlers tighten their grip on land of Israel

Hebron — Jewish settlers will rally today to celebrate a miracle before the Tomb of the Patriarchs in the centre of Hebron. "The fact that [Binyamin] Netanyahu was elected can be described as a real miracle," says David Wilder, spokesman for the 500 settlers in the city. "We prayed very hard for it. Only a few months ago [Shimon] Peres was 20 per cent ahead in the polls."

He is not alone in seeing God behind the political turnaround for the Likud leader. After Yigal Amir, a friend and supporter of the Hebron settlers, killed the prime minister, Yitzhak Rabin, last November, many Israelis regarded the Jews in the city as pariahs. Gabriel Ben Yitzhak, inscribing a Torah scroll in his mobile home overlooking Hebron, says he greeted the election result "with great joy. Now there will be no withdrawal".

Under the Oslo accords Israeli troops are to withdraw from 85 per cent of Hebron, giving autonomy to most of the 100,000 Palestinians who live there. The pull-out was postponed twice: once after the suicide bombs in Israel and again in the days just before the election. The Palestinian Authority agreed to the delay in order to boost the re-election hopes of Mr Peres, the Labour prime minister.

Overjoyed though they are by the election result Mr Wilder, born in New Jersey, and Mr Ben Yitzhak from North Finchley, London, sound a little wary of

religious Jews are waiting for Netanyahu to keep his word, writes Patrick Cockburn

en cities to the Arabs in three weeks, which is terrible. Dolefully, he admitted that the settlers' ability to protest effectively was weak after the assassination of Mr Rabin. Only big bomb attacks by Palestinians on Israelis could torpedo Oslo, but he suspected they would do nothing so self-destructive. A month later the first of four suicide bombs blew up inside a bus in Jerusalem, killing 25 people.

As the withdrawal from Hebron becomes the test case for Mr Netanyahu's willingness to abide by the terms of the Oslo accords, posse of journalists and television crews, Israeli and foreign, have descended on the city and seem, at times, to outnumber settlers. Mr Ben Yitzhak says that a priority for the new government should be to reform and, by implication, to purge the Israeli state-owned media. He said: "They vilify us. They are anti-religious and left-wing."

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Tiananmen Square: As Peking forbids public remembrance of the massacre, 40,000 Hong Kong marchers defy China

## Police quick to step in

TERESA POOLE  
Peking

Hundreds of uniformed and plain-clothes security officials gathered in and around Tiananmen Square yesterday, ensuring the anniversary of the 1989 massacre went unmarked, at least in public.

One lone young Chinese woman bravely tried to lay a bunch of flowers in memory of those who died in the crackdown on pro-democracy demonstrators. But it was not a gesture acceptable to the authorities. Within minutes she was dragged away by police, bundled into a motorcycle sidecar, and driven to an unknown fate.

It was an isolated incident on a day when Peking people silently marked the anniversary of "six four", as the date is known to the Chinese. The police presence was noticeably higher, but less so than last year when the anniversary fell at the weekend.

The authorities had pulled their usual tricks - such as hoisting down the lawns at Peking University to flood one possible gathering place. But the atmosphere in the university district was not as tense as in previous years.



Undercover: A policeman keeps watch in Tiananmen Square. Photograph: AFP

Late last night, driving through Peking, large numbers of the People's Armed Police were quickly in evidence, even allowing for the excuse of a traffic incident.

With almost all China's dissident voices in detention, the overriding impression in the city yesterday was of a government that still believes it must rely on force to control the population.

## Colony takes last stand over martyrs

STEPHEN VINES  
Hong Kong

By any standards it was an extraordinary act of defiance. As many as 40,000 Hong Kong people last night ignored China's repeated warnings not to meddle in its internal affairs by gathering to commemorate the 1989 Tiananmen Square massacre of democracy protesters.

This may prove to be the last large-scale gathering of its kind for many years as China is likely to ban democracy rallies once it resumes sovereignty over the colony. China's allies have urged the people of Hong Kong to put the events of 1989 behind them but last night's rally, larger than that of the previous year, suggests the massacre remains a vivid memory.

A sea of candles swayed in the sticky night air as an emotional crowd sang patriotic songs and listened intently to speeches by leaders of Hong Kong's democracy movement, branded as subversives by China.

The demonstrators were well aware of the risks. Strategically located police video cameras captured their faces on film. The government says the footage will not be handed to the Chinese authorities but this assertion is met with derision. "I don't care if they see my face," said one woman. "I am not ashamed to be here remembering those who fell for democracy." She was, however, cautious enough not to give her name.

Although the local pro-Peking media has tried to

suggest that the democracy protesters have dwindled to a small fringe, it was a remarkable cross section of the community which assembled last night. Mobile phone-wielding executives, types mingled with T-shirt-clad workers, children were dragged along with their parents, and elderly couples rested on newspapers spread to break the discomfort of a long sit on the warm asphalt football pitches in Victoria Park.

Lee Cheuk-yan, one of the demonstration's organisers, said the rally showed that Hong Kong people had not forgotten the Tiananmen Square massacre, nor would they be intimidated into silence. A school teacher said he was at the rally because it was his duty to remember and he feared that he would not be allowed to do so in public next year.

In China, tight policing ensured that there were no public demonstrations commemorating the massacre. Chinese leaders have not forgiven the people of Hong Kong for holding massive demonstrations in 1989 and appear anxious for the day when they will be able to exercise the kind of control over the colony's people which restricts the citizens of the Chinese mainland.

They will be helped by Hong Kong's Urban Council which has indicated that it will not accept a booking for the rally in Victoria Park next year as the park will be required for celebrations to mark the transfer of power on 1 July 1997.



Burning issue: A policeman confronts a protester in Hong Kong as sets alight a Chinese poster. Photograph: Reuter

## Students lose fear of Big Brother

Youth dream of money not democracy, writes Steve Crawshaw

Shanghai — "Welcome to our English Corner," one of the students remarked, when I walked in upon the animated little crowd one recent evening. There were maybe a dozen people in the group, crowded around a candle-lit table in a university canteen in Shanghai, while several more groups chattered in other corners.

Everybody was involved in earnest discussion - in English. English Corners are a feature of Chinese life everywhere from university campuses to public parks. If a Chinese person is looking to brush up his or her English, these meetings provide an opportunity, free. My chance encounter gave me a chance to observe the crumbling of taboos, even when Chinese are in conversation with a stranger.

In a country where nothing truthful can be written about the Tiananmen massacre, seven years ago this week, one might expect students to avoid politics. But these merely insisted they had more pressing concerns.

When I asked a vague question about the "events of June

1989", I expected them to back off like frightened gazelles. Instead, several of the students sought to clarify. "You mean the Tiananmen crackdown?" asked one. Well, yes, though I had not expected them to use the phrase. "The incident of 4 June" is all that is officially permitted. All agreed that a few years ago they would not have discussed Tiananmen with a foreigner, let alone a journalist.

In that respect, China has become more open - despite, not because of, its rulers.

And yet, eerily, almost none of the little crowd, in their teens when the killings took place, seemed bothered about the memory of the suppressed demonstrations. Shanghai, too, saw large demonstrations and there was an unknown number of deaths. One otherwise volatile student remained poignantly silent, his face betraying that he was not indifferent, while the others discussed Tiananmen. He pointedly noted, in response

to a question about the future of Communism, which I assumed would be rebuffed: "I could answer that question in private but not here."

But such politicisation was the exception. The police, they agreed, had been "very active" ahead of this year's anniversary but most were not bothered by it. "Money's the number one thing," said one. "If I've got a home and a car, why should I worry about politics?"

Still, as one student pointed out, the political ice is not entirely frozen. The students have just chosen non-party members as student representatives: "That's a significant change, it's never happened before."

After the English Corner broke up, one student hurried after me. "I am sorry it was not possible to speak more openly," he said. "I wanted to tell you: I don't think the Communists can survive. My parents are party members. In a way it makes me sad to talk with

them. But China must change."

On the streets of Shanghai, everything is changing. Shanghai, a kind of regional New York before the Second World War, seeks to blaze once more.

Nanking Road, the main shopping street, is non-stop neon.

All the students at the English Corner, when asked what they hope to do after graduation, answered: "Business." These, then, are not obvious radicals. And yet, it would be a brave apparatchik who would stake everything on a belief that politics will remain unchanged.

A Chinese expatriate businessman tells the story of how, when he arrived in Shanghai, a taxi driver provided this analysis of the country's problems: "[President] Jiang Zemin hasn't got a head. And [prime minister] Li Peng hasn't got a heart."

You couldn't have said that a few years ago, the passenger remarked. "No," came back the deadpan reply. "Back then, it was a state secret."

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## obituaries/gazette

## Sir Harry Campion

Sir Harry Campion was the first director of the Central Statistical Office (CSO). The forerunner of the recently created Office for National Statistics. He held the post from 1941 until he retired in 1967.

At the beginning of the Second World War the need for detailed statistics was not recognised, and indeed steps were taken to cut down on the collection of official statistics. But this attitude soon changed and by the middle of 1940 it was realised that as the government was responsible for the war effort it must have accurate and up-to-date statistical information to help it make decisions. Accordingly, the CSO was established within the Offices of the War Cabinet at the beginning of 1941, and Campion was made its head.

During the rest of the war the main framework of the national income accounts was established and statistics of production, consumption, stocks, employment and so on were developed, which provided a basis for the subsequent development of economic statistics in the post-war period. Campion was responsible for supervising all these developments.

He was born in Worsley, Lancashire in 1905 and attended Farnworth Grammar School and Manchester University. His early career was as an academic, from 1933 to 1939



Campion: the best statistician

and statistical problems and that existing statistics were insufficiently detailed, reliable or up to date. Some of the criticisms were unfair as there had been a big increase in the range of statistics available, and there were problems with resources and the attitude of businesses to formulating.

It was unfortunate that Campion retired from the Civil Service in 1967 soon after the report was published. He was 62 and it was time for him to go, so he left on a somewhat sour note. There had in fact been a substantial improvement in statistics during the 1960s which was not adequately recognised by the committee. Nevertheless there were serious gaps and deficiencies and it was left to Campion's successor Sir Claus Moser to expand the statistical services and steadily make the desired improvements.

Campion was a very respected statistician both in the United Kingdom and internationally. He was at various times president of the Royal Statistical Society, The International Statistical Institute and the United Nations Statistical Commission. He was also for one year (1946-47) the first director of the UN Statistical Office.

Harry Campion was a very private person who remained a bachelor and lived with his sister. He was fond of football and it is believed that he played as an amateur for Bradford when he was young. He regularly lunched at the Reform Club where he had many acquaintances and friends.

Lawrence Berman

**Harry Campion, statistician: born Worsley, Lancashire 20 May 1905; Director, Central Statistical Office, Cabinet Office 1941-67; CBE 1945; Director of Statistical Office, United Nations 1946-47; Member of Statistical Commission, UN 1947-57; Kt 1957; died Wembley, Middlesex 24 May 1996.**

## Dom Bernard Moss

Bernard Moss was a bright star in the English monastic firmament for almost half a century. For 41 of those years he was an inspired and inspiring monk-schoolmaster, teaching history to generations of boys at Worth School; for 23 years he was a much-loved Housemaster; he then, among other things, ran a highly successful School Appeal.

He was born David Reginald Moss in Calcutta and spent the first years of his life near Darjeeling where his father worked in the tea business. At the age of eight he was sent to a Benedictine school in England, first in Ramsgate and then at Downside, and did not see his parents again until he was sixteen. His school holidays were spent with aunts but they were, in Wodehouse language, good and deserving aunts, Dahlias rather than Agathas.

At Downside he narrowly escaped death in May 1943 when an aeroplane crashed on the cricket field and killed several boys; David Moss threw himself to the ground and the disintegrating plane bounced over him. After Downside came National Service, during which he either acquired, or consolidated, certain military characteristics - precision, orderliness, polish - which were to earn him, at Worth,

the affectionate sobriquet of "Major Moss".

In 1948 he entered the novitiate at Downside, taking the name Bernard; he was solemnly professed in 1952 and ordained priest in 1954. After a year's teaching at Worth, then a dependency of Downside, he went up to Cambridge to read History, after which he returned to Worth, now independent of Downside, and was a founding father of Worth's new 19-strong monastic community. In 1959 he was once again a founding father, this time of the new Senior School at Worth. In Dom Bernard's lifetime the numbers in the school increased from 28 to 335 and his personal involvement in and contribution to those pioneering years were crucial. In addition Housemaster from 1962 to 1985, he taught history at all levels and did so memorably; former pupils remember, with delight, his changing down the aisle between the classroom desks, armed with a broomstick, to illustrate what happened at Rorke's Drift.

He combined a warm heart with a shy exterior and, socially, he preferred the familiar to the unexpected. He was deeply committed to his pupils to his pupils and his monastic brethren, though in a slightly formal way: a fellow monk was

often "Dom" and pupils were usually "creatures" or, if particularly favoured, "monsters".

He was happiest in the company of his brethren and much enjoyed going on holiday with two or three of them in the summer. He was a gracious, courteous and unthreatening person who did not seek the limelight; although he was at various times Sub-prior, Prior and Junior Master, he never aspired to be a monastic "mogul". His ambition, and pleasure, was to be fully occupied in the service of God and of others. A tireless worker, he was also a model of monastic observance and deeply committed to a life of prayer, in which he set himself the highest standards; thus, at the end of even the longest and most demanding working day, lasting eighteen or nineteen hours, he would not retire to bed without first making a special journey to the Abbey Church to recite Compline. Throughout his life there was no doubt where, for him, true worth lay.

Stephen Ortiger OSB

**David Reginald Moss: born Calcutta 12 March 1928; clothed as a monk of Downside Abbey 1948; solemnly professed 1952; ordained priest 1954; died Crawley, West Sussex 2 June 1996.**

sk, composer, 1882; John Maynard Keynes, first Baron Keynes, 1883; Dame Ivy Compton-Burnett, novelist, 1884; St Boniface, apostle of Germany, murdered 755; Henri Gaudier-Brzeska, sculptor, 1915; Georges-Léon Julie-Marie Feydeau, playwright, 1921. On this day: the hot-air balloon was first demonstrated by the Montgolfier brothers, 1783; Robert Francis Kennedy, US senator, was shot by an assassin, dying 25 hours later, 1968; Britain's first referendum was held, resulting in a two-to-one majority in favour of staying in the Common Market, 1975. Today is the Feast Day of St Boniface of Mainz or Crediton, St Dorotheus of Tyre, St Sanctus and St Simeon and St Toto.

## Lectures

Victoria and Albert Museum: Geoffrey Copley, "Other Craft Movements at the Time of Morris", 2.30pm. Tate Gallery: Frances Borzello, "Ladies who Lunch: Three Ladies of the Leaman Family by Benjamin Fawcett", 1pm; Iain Sinclair, "London: viewing beyond the gallery (I), the Lambeth", 6.30pm (tickets required). Royal Society (Bakerian Lecture), London SW1: Professor A.I. Scott, "Genetically Engineering Synthetic *in vitro* reconstruction of biosynthetic pathways", 5.30pm.

London School of Economics (25th Chorley Lecture), London WC2: Professor Charles Goodhart, "Economics and the Law: too much one-way traffic", 5.30pm (Shaw Library).

## Luncheons

HM Government: HM Treasury, 1pm. Michael Portillo MP, Secretary of State for Defence, was the host at a luncheon held yesterday at Lan-



Lorengar at London Airport in 1955, on her way to sing at Covent Garden. Photograph: Hulton Getty

## Pilar Lorengar

The Spanish soprano Pilar Lorengar had one of the most beautiful voices heard in the post-war years. Creamy-toned and perfectly placed, her voice remained firm and youthful in timbre for more than 30 years.

As a young woman she was extremely handsome in appearance, as she demonstrated on her Covent Garden debut in 1955 as Violetta in *La Traviata*. That year she also made an adorable Cherubino in *Le nozze di Figaro* at Aix-en-Provence, and during the early part of her career, Mozart was what she sang best and most frequently - *Pamina* in *Die Zauberflöte* and the Countess in *Figaro* at Glyndebourne and *Pamina* in *Buenos Aires* under the baton of Sir Thomas Beecham; Ilya in *Idomeneo* and *Pamina* at Salzburg; Donna Anna, the Countess and Fiordiligi at Covent Garden; Donna Elvira for her Metropolitan debut in 1966. By then Lorengar's voice had developed greater strength without losing any of its delicate bloom and, though she continued to sing Mozart roles, she added Verdi, Puccini and even Wagner to her repertoire.

Born Pilar Lorengar sang, as was her usual repertory, roles such as Marenka in *The Bartered Bride*, Janáček's *Jenůfa*, Regina in *Mahler's Mutter*, Ysabella di Castiglia in Falla's *L'Atlantida* and Valentine in *Les Huguenots*. Adored by Berlin audiences, she was known as "unser Pilar" - our Pilar! Meanwhile she continued to sing throughout Europe and America. Her later roles at Covent Garden included Dona Anna, the Countess, Fiordiligi, Gluck's *Eurydice* and Nedda in *Pagliacci*. The recordings give a faithful impression of the tonal beauty of her voice and the sensitivity of her phrasing, but the essence of her stage personality - its purity, nobility, modesty - remains elusive.

Elizabeth Forbes

**Pilar Lorengar García (Pilar Lorengar), singer, born Saragossa, Spain 16 January 1928; died Berlin 2 June 1996.**

## Adoption upheld despite immigration breach

## LAW REPORT

5 June 1996

when H was 12 years old, he came with his father to a family wedding in the UK. H's entry visa gave him permission to remain for six months as a visitor. Soon afterwards H began to live with the applicants as their son and had remained with them ever since. As H's natural mother explained:

"In Pakistan when a couple have no children and ask for one of yours you just give one as long as you know they are good people. God has given us so many children and they have none."

The judge found that the fact that a child from overseas had been adopted by a childless couple in the United Kingdom because they could not have a child of their own did not prevent the welfare advantages to the child being sufficient to outweigh considerations of public policy in maintaining immigration regulations.

The Court of Appeal dismissed an appeal by the Secretary of State for the Home Department against an adoption order made by Mr Justice Holman on 13 November 1995.

**Lisa Giovannetti (Treasurer Solicitor)**

**for the Home Secretary; Patricia Scotland QC and Khadija Al'Hassan (John Delaney & Co, Leeds) for the applicants; Richard H Bond (Official Solicitor).**

Lord Justice Thorpe said the applicants, who were British citizens, had been unable in 14 years of marriage to have a child. IVF treatment having failed, they decided to adopt.

A related couple living in Pakistan had by contrast a quiver

of children, eight in all, of whom H, the subject of this appeal, was the sixth. In 1992, he refused an application for

pan." During his tenure, annual sales more than doubled from \$60m to \$1.3bn. In 1993, the firm posted record earnings of \$1bn.

Junkins has left a lasting mark on TI. Previously renowned for its insular and obsession with security - visitors used to find themselves escorted even on trips to the toilet - the company was opened up under his leadership. Under Junkins TI also de-emphasised its line of products based on the integrated circuit technology that it had invented, including digital watches, personal computers and hand-held calculators.

Faced with the added challenge of falling government defence spending at the beginning of this decade, Junkins oversaw the elimination of 30,000 of TI's 78,000 workers, and increasingly focused the company on its core memory-chip business. He also forged important alliances with companies abroad, notably in Asia, and set about enforcing TI patents that reaped important royalty earnings.

Junkins's views on free trade came to the fore in 1993 when he helped organise a lobbying drive of corporate leaders in favour of approval



Junkins: memory chips. Photograph: UPI

by the US Congress of the NAFTA free-trade agreement between the United States, Canada and Mexico. In addition to his position at TI, Junkins held directorships at Caterpillar, Procter and Gamble and 3M.

David Osborne

**Jerry R. Junkins, engineer and businessman: born Monroe, Iowa 9 December 1937; staff, Texas Instruments 1959-96; president and chief executive officer 1985-96; chairman 1989-96; married 1959 Marilyn Jo Scherers (two daughters); died Sungard, Germany 29 May 1996.**

Noel Annan's obituary of Tess Rothschild [31 May] gives an unsatisfactory picture of her, a profile from the angle of her having been to a great extent an appendage of establishment figures. She was much more than that, writes Judith Hubback.

She and I met on our first day at Newnham in 1935. Already her knowledge of people and of literature was sophisticated, wide and deep. She knew how to link it in a balanced way to contemporary politics. Over the years since then we continued to cover a whole span of subjects from world events, home affairs (we did not always agree), books and ideas of many kinds, all the way to the interests and successes of our children and grandchildren.

While talking freely, Tess never gossiped. She tended to minimise how much her friends owed to her unaffected way of always being herself, and perhaps did not realise fully how much she influenced people through her reliable steadiness. But I think she did know that she was both respected for her public work which grew out of being a very able magistrate, and loved for her basic respect for other people.

Being a JP was fully compatible with being Victor Rothschild's wife: they admired each other's work and did not interfere.

She appreciated what her family and friends did and urged them towards their potential. As she knew difficulties, illnesses and bequests from personal experience, she drew on how she had responded to them, to empathise with any who were also troubled.

She was always sensible, as well as sensitive and wise.

She but to resolve the personal tragedy of infertility.

In his Lordship's judgment the paragraph cited from *Re H* had been elevated into a two-stage test which did not appear to have been Mr Justice Hollings's intention. A Family Division judge must dispose of an adoption application by reference principally to section 6 of the Adoption Act 1976. By that section he must have regard to the balance that should be struck between immigration regulations and welfare considerations urged in support of adoption.

Miss Giovannetti traced the development of this case law from *Re H* [1982] Fam 121 through *Re W* [1986] Fam 54 to *Re K* [1995] Fam 38. In *Re H* at p 153, Mr Justice Hollings had said:

"If the court considers . . . that the true motive of the application is based on the desire to achieve nationality and the right of abode rather than the general welfare of the minor then an adoption order should not be made . . . in every case it is a matter of balancing welfare against public policy . . ."

Miss Giovannetti submitted that a breach of immigration regulations could only be outweighed by the promotion of the child's welfare and not by any other consideration. Here, the applicants were not seeking to promote the child's welfare

against public policy . . ."

The conclusion reached by the judge was clearly open to him within the discretion he had to exercise.

Paul Magrath, Barrister

Let

on federal Europe needs time to evolve

# Let Camelot win a lot – it does a good job

**T**here's only one golden finger, there's only one golden finn-gerr, there's only one golden finn-gerr. Such will be the song of Camelot's managers this morning, 50 per cent bonuses in their pockets. But it is also the core of the fiercest objection to the £77.5m pre-tax profits run up by the National Lottery operator last year.

According to its critics, Camelot is just another brazen, cash crunching monopoly – like the privatised utilities before it – piling profits high against the public interest. Gerald Kaufman believes the National Lottery should be nationalised, putting all profits to public use. Richard Branson takes the parallel private sector view: his own bid to run the lottery involved pouring all profits into good causes. Branson (bitter, he? surely not) has been particularly vitriolic in his criticism of Camelot, accusing them, in effect, of corporate greed.

But hang on. Imagine for a moment, our favourite national game under Gerald or Richard. How long would it be before a nationalised national lottery tied itself up with the same kinds of administrative confusion as the Child Support Agency or the Inland Revenue. Is it really conceivable that a state agency – like the Benefits Agency, for example – could have got the ticket and prizes system up and running as fast as Camelot did with machines in newsagents across the country. As for the bearded philanthropist, so keen to

give his profits away: the adjudicators decided his bid to run the lottery couldn't match Camelot's for raising cash across the board.

You have to hand it to Camelot. Their achievements in the last two years have been quite remarkable. An entirely novel form of gambling was launched on the British public in a very short time. Millions of people play every week, millions of pounds change hands, millions of numbers spin around their computer system, yet there hasn't been a single substantial screw-up so far.

Such is its tacky and manipulative. That goofy voice hollers from the adverts: "It could be you," and huge numbers of people rush out to gamble against ridiculous odds. Saturday night prime time television coos to the inanities of presenters like Anthea Turner, while the coloured balls rattle. It's gross and it's grossing.

Cheesy populist marketing, combined with ruthlessly efficient delivery systems are making the National Lottery an immense financial success.

If you're going to have a national lottery at all, you might as well have a good one. And you might as well get the professionals in to run it for you – which Camelot undoubtedly are. The fact that the company makes huge profits, and the executives pick up substantial bonuses, should be no surprise to us. In fact it should be welcomed. Why not



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reward them for doing a good job? And why not give them the incentive to make more money and become more efficient in future – by allowing them to keep some of the profits they create.

But, whinge the critics, it's a licence to print money. True the lottery entirely dominates the national market for gambling. No one else can compete with prizes worth millions every week.

Of course we shouldn't buy every word of the company's hard sell campaign to justify itself. These delicious funds from sales sloshing around are not all a result of good management. Lack of competition helps. Alternative

instant cards may be springing up all over the place, but no other game can compete with weekly prizes of several million pounds. No wonder sales, and hence profits, are so high.

But never forget that Camelot doesn't keep most of the cash. Unlike its fellow national monopolies – the utilities – the lottery has to share the extra proceeds when turnover and profits soar higher than expected. They even have an incentive to cut their investment because they can keep all the savings. Camelot, on the other hand, is obliged in its licence to pass on a certain proportion of sales to every-

one else: around 50 per cent of ticket sales go in prizes, over 27 per cent towards good causes, and about 13 per cent for the Treasury. So if sales are higher than expected, Camelot is not the only one to benefit.

So why then, if Camelot's profits are so benign compared to those of the privatised utilities, is there so much controversy? In part, our experience of the utilities has made us rightly suspicious of national monopolies these days. The National Lottery is a monopoly; profits have swollen far higher than expected, and management salaries are now soaring to match. The litany sounds dreadfully familiar. Our other national monopolies, the recently privatised utilities, have piled up mountains of excess profits over the past few years, far and above those the regulators anticipated. An over-generous regulatory regime has been compounded by the selfish greed of management desperate to award themselves huge bonuses. As a result, companies and regulators each have to prove their case to us, for we suspect on the basis of experience that we are being dithered. The public interest can only be served by subjecting Camelot to similar scrutiny.

But Camelot should beware making the Cedric Brown mistake. The chief executives have handled their public affairs with arrogance. They want to plough the £138m excess from fluctu-

ating sales and prizes back into prizes rather than good causes. And they have decided to keep the interest on the excess – presumably totalling millions of pounds – rather than give it away. Big mistake. The company with millions in monopoly profits can never win a battle of the heartstrings over extra cash with children's groups, charities, art exhibitions or a millennium party. If Camelot wants to keep its profits safe in future, it had better start learning from the utilities' mistakes.

## Heavyweight home economics

Luciano Pavarotti does not need to be on the spaghetti carbonara to lose weight, he should take a leaf out of Nigel Lawson's diet book. All the rounded tenor needs to do is become Chancellor of the Exchequer, make some fatal errors of macroeconomic judgement, pump up the economy to match his girth, then, in penance, engage in a severe bout of downsizing. The trouble is that the fat singer would then have to play Calaf, Cavafodossi et al with Lord Lawson's new face, which now looks disconcertingly like Willie Nelson's. Mr Nelson would be unlikely to make it at La Scala, unless they renamed the opera *Cavaliere Texicana*.

## LETTERS TO THE EDITOR

### Confederal Europe needs time to evolve

Sir: Further to your extended editorial "Britain and Europe – a proposal" (3 June).

The first thing to understand is that constitutionally, the European Union is *sui generis*. It is unique. Nothing quite like this has ever been tried before. When I try to explain to my American colleagues the direction Europe is taking, the Continental Congress and the Federalist Papers fall readily to hand.

Historically the objectives were similar: how to avoid the effects of blocking minorities (Rhode Island) on issues which were to the (commercial) advantage of the other states. The result was a federation that, despite its written constitution, has in practice worked in ways which its own "founding fathers" could never have imagined.

This is one possible shortcoming of a written constitution, or "stated goals and objectives".

Constitutional evolution (or "drift", depending on where one is coming from) is inherent in such institutions. It took the best part of 200 years plus one civil and two world wars for the American constitution to settle down in its "modern" form. Even though by its nature, the European project cannot arouse the intellectual ferment characteristic of revolutionary situations, and in years is hardly out of its cradle, much has been achieved in the last fifty. How much did the American Union achieve in its first half-century?

In all this, I recognise one great originality. Partly as the result of having to deal with recalcitrant nation states, the Commission has developed the concept of the "Europe of regions", appealing directly over the heads of the nations to the regionally governed.

This in itself will take care of the cultural and "language" issue. For precisely this reason, the Council of Ministers must not gain (or regain) power at the expense of the Commission or Parliament. This island is fortunate in that (with one notable exception), its political unit corresponds with its natural geographical frontiers. Others are not so lucky, and it seems to me a logical solution to the problems of nationality (or nationalism) set out in the first part of your essay.

G P KERSHAW  
Rickmansworth, Hertfordshire

Sir: Your article on Britain and Europe contained much good sense and should help to promote a more reasoned debate. However, I have to take issue with your contention that "What holds us together before everything is a shared attitude to human rights and market freedoms, so a charter of rights should be at the core of the Union."

Human rights, yes, of course, but the concept of a free market is a harmful illusion that deserves no enshrinement in a European Constitution. We would do better to protect the principles of genuine economic and environmental sustainability. In a world of finite resources, economic growth cannot be maintained. What is important is that the economy is dynamic, stable, and participatory. Important features of such an economy include democratic accountability and local production for local consumption, thus minimising pollution and other



We are ready for whatever Europe throws at us

damage associated with transport of goods over great distances.

If this means the dismantling of consumer capitalist economies and its "market freedoms" and its replacement by new economic practices which promote the well-being of all sections of the population and our natural resources then we will have truly taken a step forward.

RICHARD CROMWELL  
e-mail: ddc@soc.soton.ac.uk

Sir: Congratulations on being the first national paper to put a sensible and reasoned view on the future of the European Union.

Although I am a committed federalist, who understands the true meaning of subsidiarity – power down to the smallest viable governmental unit – your confederal half-way house is not a bad idea if it convinces the timorous and the xenophobes that a European Union will not be the end of life: rather a new step forward in our development.

After all, national identity has survived intact in the UK despite, in Scotland's case 200 years of total union involving complete centralised control from Westminster.

This said, I do not agree with your dislike of the single currency idea. Only a strong centrally organised currency bloc stands a chance of survival from the onslaughts of uncontrolled international capitalism.

JOHN W CLARKE  
Longfield, Kent

Sir: During the 1975 European referendum campaign the argument that most convinced me to vote "yes" was not simply one of

trade and thus profit, but of trade and thus peace.

I considered another European war involving Britain to be far less likely if there was an opportunity for politicians and the press to argue over trade agreements. I did not expect the arguments to be almost continuous. Nevertheless, our politicians have indeed got something to have a good row about and a real chance to parade their nationalism and machismo. My basic philosophy seems to be holding true.

RICHARD WELCH  
Nantwich, North Wales

Sir: Today I became heartily ashamed of being a British citizen. Today ministers of the Crown went to Brussels with the express purpose of torpedoing essential EU legislation relating to the success of small business and overseas aid.

And why? Just because HM Government has been either unwilling or unable to come to terms with the long-term so-called mad cow crisis and was finally forced to book by some equally intransigent Continental governments.

Two wrongs have never made a right. These ridiculous acts of Euro-political vandalism have disgraced Britain's previously proud position as the nursery of democracy and the Mother of Parliaments.

All the perpetrators of these childish acts should immediately offer full and unreserved apologies to the nation and our European partners.

NICHOLAS A MENDES  
Droitwich, Worcestershire

Sir: I infer from Gavyn Davies' column (3 June) that he has understood neither my analysis of the impact of higher physical investment on trend growth in the UK nor the weight of academic evidence regarding the presence of diminishing returns to physical capital. Mr Davies and the Labour Party clearly believe that a rise in the rate of physical investment

### Paying for an end to poverty

Sir: So that's that, then. A combination of an *Independent* leader writer and the Joseph Rowntree Foundation have solved the problem of poverty simply by "pushing up" income support by £15 (leading article, 4 June).

But why stop there? What about £20 and let them go to the cinema? Or £25 and drinks all round? As social security spending increases remorselessly year after year so that it now costs us eight times what it did in Beveridge's day and more people than ever before claim some type of benefit (a third of the population as reported in the *Independent* recently) it is surely obvious that expanding benefits simply does not eradicate poverty. If anything it probably increases relative "poverty" by increasing demand and expectation.

SIMON BROOKE  
London SW1

Sir: I infer from Gavyn Davies' column (3 June) that he has understood neither my analysis of the impact of higher physical investment on trend growth in the UK nor the weight of academic evidence regarding the presence of diminishing returns to physical capital.

Mr Davies and the Labour Party clearly believe that a rise in the rate of physical investment

could exert a marked and lasting effect on the pace of economic growth over the long term. Both seem to have fallen under the spell of a revisionist school of the theory of economic growth – the "post-neo-classical endogenous growth theory" to which the Shadow Chancellor, Gordon Brown, famously referred in his speech in 1994.

New growth theory is undoubtedly an exciting area of academic enterprise which deserves a wider audience. However, pioneers in the field – like Paul Romer and Larry Summers, whom Davies cites in support of his view – produced results about the importance of physical investment which have been pretty decisively rejected by later studies. The most recent in a long line comes from Nicholas Oulton and Garry Young at the National Institute who find that "... contrary to DeLong-Summers, there seems to be no special magic to equipment investment as an engine of growth".

On this basis, I concluded in my analysis that the contribution of physical investment to the UK's trend growth was likely to be close to that suggested by traditional theory – that is, small and ultimately transient. For example, a one percentage point rise in the share of physical investment in the gross domestic product might at most raise trend growth by 0.1 percentage point.

My study acknowledged Davies' point that the level of national output would be (in principle) permanently higher but whether

this was achievable and a good thing was open to question. In the 1960s Harold Wilson's new Labour government introduced a manner of investment schemes which created distortions and a re-entry problem as the stimulus wore off.

After its first false move, the new school of economic growth now emphasises the importance of technological diffusion and human capital. On this we can all agree. The problem remains how to rescue the UK's capabilities in these respects in the face of a still-inadequate rate of return on capital.

BILL MARTIN  
Chief Economist, UBS Limited  
London EC2

### Boat rage

Sir: I suspect that the earliest example of road rage is in fact that displayed by the Sumerian hero Gilgamesh, who predares Greek and Biblical offenders by hundreds of years.

Just before the famous account of the flood, we read that as he is walking down the road towards the sea, looking for eternal life, a young woman tells him he cannot go on. "Seized with anger", he snatches an axe and a dagger, rushes down and damages the boat.

After "talking it over" with the boatman, however, he calms down and agrees to build a replacement craft. Is this the earliest reference to road rage counselling and community service for offenders?

STEPHEN BAX  
Department of Languages Studies  
Canterbury Christ Church College  
Canterbury

### Sara Thornton's family life

Sir: Your report of the Sara Thornton trial (31 May) under the heading "Tragedy that tore apart a family" caused distress and I consider was an entirely unnecessary intrusion into the privacy of our lives. My daughter's portrayal of her parents as a "cold and uncaring" father and her dead mother as a "brutal disciplinarian" dates from the time of her meeting with George Delf while in Durham Prison, after the publication of a letter from Sara to your newspaper. None of this reflects the truth. Sara used to boast to her former friends about her wonderful and privileged childhood while showing them films of her life in the Pacific.

I happen to have letters written to Sara by her mother and by myself when she was a pupil at Millfield School. (Any thinking journalist, or psychiatrist for that matter, would surely ask himself if these parents "with the characteristics attributed to them" would have chosen Millfield School – one of the most progressive in the country at the time!) I will not quote them all, for there are many, but they clearly show how false a picture Sara has painted of her mother. Shortly before her O-level examinations her mother wrote, "Daddy says you are doing very well at work. It does not matter if you don't pass any exams only self-satisfaction if you do. Anyway you're quite capable of passing any you want! ... Don't work too hard darling, lots of love and kisses from all of us – Mummy". Barbara, her sister, wrote after her adoptive mother died, "At about half past nine on 26th November, Mummy died. We all loved her and miss her terribly".

Barbara attended the trial accompanied by her natural parents – they gave their baby daughter away for adoption when she was a day old. Louise, my granddaughter, spent many summers with us in Devon, and I still have one letter from Sara when she asked me to have Louise for two years. None of this supports the way in which her dead mother and I are now depicted. You refer to the fact that I have had no contact with my daughter for four years. She wrote to me from Bullwood Hall Prison on 29 December 1992 saying, "One day I will pity you, and then no doubt forgiveness will happen, until then I would appreciate it if you would stay out of my life".

I resent the comment that Malcolm's sisters, Gladys and Jean, and ourselves make an "unlikely alliance". My family have every reason to be grateful to Malcolm's relations for the kindness and understanding they have shown to us. The inference that we deliberately sat behind them in the court is Petty – when in fact we sat where we were told to sit. We had hoped desperately that my wife and I would not be called to give evidence, but having been legally obliged to make statements, we had no choice in the matter.

HENRY COOPER  
Devon

The writer is the father of Sara Thornton

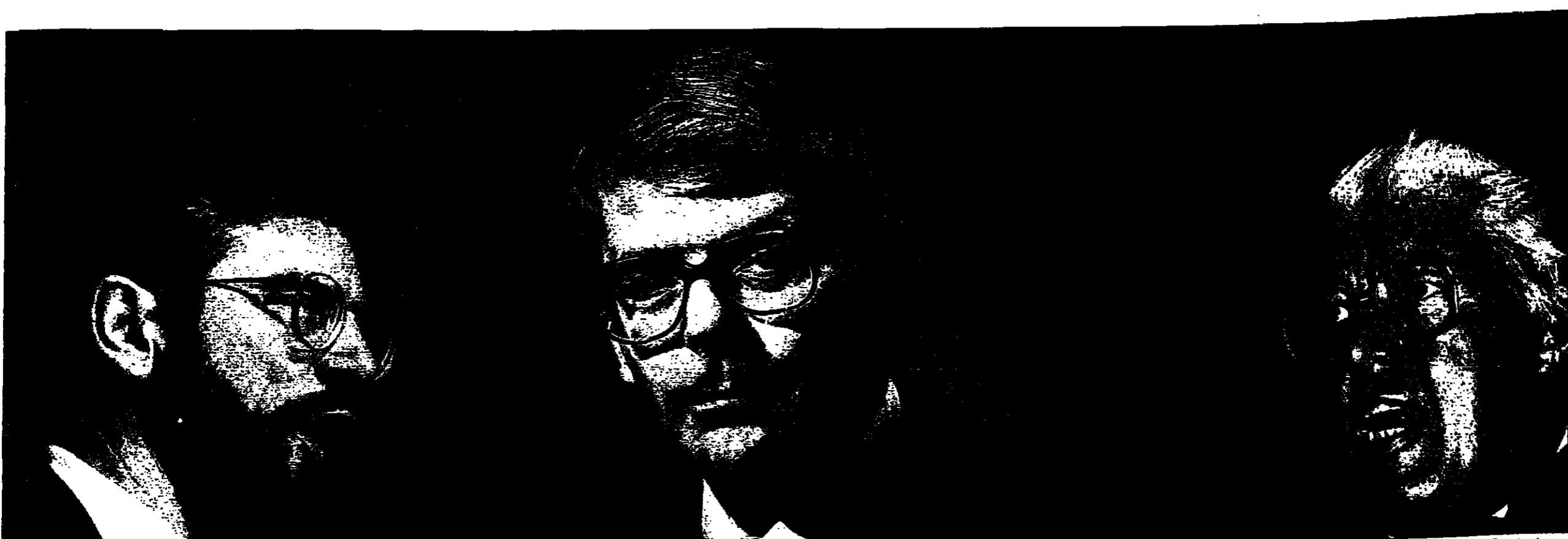
### Women in music

Sir: Why no music by women composers at this year's Proms? My first visit to Chard's festival of women in music last Monday was ear-opening. I want to hear more of the music of Anna Amalia, Elizabeth Macconchy, Fanny Mendelssohn, Maria Grandval, Amy Beach and others.

JENNY COX  
Bristol, Avon

Post letters to Letters to the Editor, and include a daytime telephone number.  
(Fax: 0171-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

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Unexpected result: after Ulster's poll, John Major once again finds the peace process is beyond his control, while the republicans have gained room for political manoeuvre and the Paisleyite Unionists have triumphed

AP/Glyn Griffiths/Geraint Lewis

# Blasted from both sides

The elections John Major called in Northern Ireland resulted in a victory for extremism, as Ian Paisley and Gerry Adams made the greatest gains. David McKittrick analyses the Prime Minister's great miscalculation

**T**here's absolutely no doubt about it," the republican activist remarked just before the results of last week's Northern Ireland election were declared. "The August '94 ceasefire was the most popular thing we ever did in 25 years."

When the results came through, he, like the rest of Sinn Fein, was stunned by the unpreceded backing the party received, a vote which seems to denote overwhelming republican approval of the last ceasefire and a heartfelt wish that there will soon be another.

The overall results of the election mean the Irish peace process has just taken yet another dramatic and unforeseen new turn. It has moved in a direction which paradoxically makes eventual peace more likely, but the prospect of agreement less so.

"London, Dublin and the Northern Ireland parties are still struggling to come to grips with results which have significantly altered the landscape within both nationalism and Unionism. It shattered a number of illusions and showed up both new difficulties and new opportunities.

Most of all, and best of all,

the election has severely limited the IRA's military options, making it next to impossible for the organisation to return to full-scale terrorism. But it has increased Sinn Fein's political options, greatly strengthening Gerry Adams's hand in his quest to lead republicans into politics. In the short term, the signs are that it will not produce an IRA ceasefire in time to allow Sinn Fein entry to the political talks due to open on June 10. But the vote, as a massive endorsement of the peace process, means that the chances of another cessation – hopefully a final one – within months are now very high.

The question is really not if but when. The peace process is, however, a long game, and there will be many more twists and turns lie ahead.

From the start, the whole idea of an election rested on dubious logic. One unstated purpose was an attempt by John Major and his Northern Ireland Secretary, Sir Patrick Mayhew, to exert a measure of control over a process which was not of their making. Once again, however, results, which they must regard as undesirable, indicate that this goal has eluded them.

Many in government believed both approaches could

be pursued simultaneously. Some, including senior ministers, had become so intellectually committed to the second theory that when the IRA cessation came along in August 1994 they had much trouble, psychologically and temperamentally, in coming to terms with it. Some never have.

One minister recently explained that it had been shown around the world that the way to resolve conflicts was to bring the centres together: once they could be induced to work together, the extremes

Ulster Unionists, collected its lowest ever share of the vote. In six previous elections the party always scored at least 29 per cent: this time it took only 24 per cent.

Mr Paisley's support, meanwhile, showed a solid increase, while a further nine per cent of Unionist votes were scattered among Robert McCartney's UK Unionists and the two fledgling parties, led by David Ervine and Gary McMichael, which have evolved from loyalist paramilitary groups. Most observers have welcomed the

contemplated move to moderation came to dread his anathema, and learned to stay within the fold.

The Unionist splintering arises from a mixture of personalities, policies and indeed from a range of fundamentally different views of the future. On one wing are the fledgling loyalists, who fought on a pro-treaty ticket; on the other are Mr Paisley and Mr McCartney, who do not want to negotiate with Sinn Fein; and somewhere in the middle is Mr Trimble, who might be drawn into negoti-

ation by the August 1994 ceasefire, but was then denied by its collapse. This election has been damaging for the centre-out theory, however, in that it produced no sign that Unionism is ripe for reaching agreement with nationalists.

Unionist Ulster may be uncertain of the way ahead, but nationalist Ireland is united in concluding that any talks which do not include Sinn Fein are, in the words of one Irish government adviser, not worth a penny candle. Nationalists have, in other words, discarded the centre-out approach as futile.

When the bomb that killed two people and ended the ceasefire went off in Derry in February, it seemed the IRA might be intent on a future full-scale war. But the general republican reaction to that bomb, expressed in the first instance privately and now publicly in this election result, amounts to an impressive utilisation of what used to be called "people power".

The general republican community, which for so many years either tolerated or actively supported the IRA campaign, has now told the army council that those days are over. One canny west Belfast woman summed it up: "It was a statement of trust in Adams, a vote of confidence in how he handled the peace process. It was also two fingers to the Brits for messing it all up. It was a vote against a return to war. There would be horror if the IRA started up again without a very, very good reason. Something pretty horrendous would have to happen to justify it."

One of the key points at issue between those who favour the peace process and those who prefer the centre-out approach is whether Unionism or republicanism is the more flexible. The peace process was positioned on the belief that republicans were more ready for movement, a belief that was apparently vindicated

by the August 1994 ceasefire, but was then denied by its collapse. This election has been damaging for the centre-out theory, however, in that it produced no sign that Unionism is ripe for reaching agreement with nationalists.

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But the Sinn Fein mandate was not a directive to pursue peace at any price: rather it has given the republicans space and eased the pressure on them. It has curtailed their military options but increased their political options.

They appear to have decided to observe the talks and assure themselves that the discussions amount to real negotiations before opting to join them. They will have the luxury of watching how London, Dublin and the Unionists conduct themselves before making a judgement on whether the game is worth the candle.

David Trimble, who asked for the contest, has been weakened by it. The British government, which called the election, has had to watch in dismay as the centre contracted and the extremes profited. Gerry Adams, who had declared himself implacably opposed to the election, has ironically emerged as its chief beneficiary.

And the peace process, which has so often seemed defunct, somehow moves mysteriously on, in a way which no one really understands, full of surprises, keeping hope alive that a lasting peace can yet be attained.



Let's make

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"Absolutely not!" reveals



Miles Kington

Terry Venables, England's colourful coach. "It's to confuse the other side, and to conform with John Major's instruction not to conform with instructions."

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"Absolutely!" reveals that

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## the commentators

## Our children bad at maths? It just doesn't add up

It is difficult to switch on the television (or to open a newspaper) without encountering yet another survey reporting how dismal the English perform at mathematics. Are we really that bad? And if so, is the way forward to be more like the Swiss, the Germans or the Taiwanese?

From the furor over claims this week by Chris Woodhead, the Chief Inspector of Schools, that British children are years behind their foreign counterparts in maths, would you have guessed, for example, that English 13-year-olds were the only ones to beat Korea in 1988 (in logic and problem solving)? Or that the lowest 10 per cent of 13 year-olds in Taiwan had an average mathematics score below that of the lowest 10 per cent in England in 1992? Or that we usually come between fifth and tenth out of more than 40 countries in international maths olympiads?

There are relatively few international surveys that have produced reliable information on mathematics performance, in the sense that they have taken care over the design of their tests and have a randomly

selected sample representative of the national population. Basically only three surveys meet these criteria: those carried out by the International Association for the Evaluation of Educational Achievement in 20 countries in 1981, and the two International Assessment of Educational Progress studies of 1988 and 1992, in six countries and 20 countries respectively.

In these studies the European, Australian and North American countries usually have very similar performances. For example, in 1981 at age 13, 12 such countries had a mean score in mathematics of between 45 and 52 per cent, and in 1992, 10 countries at age 13 scored between 55 and 64 per cent. England in both cases was slightly above average for these groups.

European countries only had higher scores in cases where there were real problems of comparison. For example, many European countries insist that pupils do not move up to the next class unless they have

high enough results. This means that low-attaining pupils of the age studies are left behind and are therefore not in the classes surveyed, as in Hungary (which in the 1982 study appeared to have more than 60 per cent of pupils outside the main year group), and in Germany and Switzerland. In other countries relatively high proportions of low-attaining pupils were omitted because they were in special or vocational schools, so that for example 17 per cent of low-scoring Dutch pupils were left out, as were 12 per cent in France and 8 per cent in Switzerland. However even in these countries mean scores were not more than 10 per cent higher than the English core.

What is more interesting than the average is the distribution of scores for each country, as reported in the 1992 study. It is clear that for both ages nine and 13, the lowest tenth score very similarly in every country, as do the top tenth, and in most countries the range of marks goes from

about 20 per cent to 95 per cent. In other words the differences between countries are very small compared with the range within each.

Within these results, England has built up particular patterns of attainment, doing well on statistics and geometry, less well on measurement

We should take care before implementing widespread changes in teaching methods

(not really surprising given our ambivalence about metric measures) and less well on number. However, many of the number questions reflect procedures that we no longer emphasize for most children at these ages, for example adding fractions other than halves and quarters. In cases where pupils are required to apply

more formal on the Pacific rim, surprisingly the 1989 study suggests that England and Korea have rather similar patterns of teacher-pupil interaction, with pupils in England listening to the teacher at the front in more lessons than do Korean pupils, and also seeking more teacher support (Korean pupils help each other rather than asking the teacher). All other countries spent much longer listening to the teacher, even in countries that scored very low.

The 1981 international study undertook a detailed comparison of teaching methods over time in different schools and across different countries, even at the level of different approaches to different topics, but ended up in desperation showing no perceptible effects. The only significant determinants of attainment seemed to be pupil prior attainment and the proportion of the curriculum covered for all pupils.

Thus we should take care before implementing widespread changes in teaching methods.

The Cockcroft committee reported in 1982, and the national curriculum was introduced in 1989, both with the aims of increasing our standards of mathematical attainment through a wider range of teaching methods and a more rigorous curriculum. There is evidence that both affected positively the work of schools. National testing of mental arithmetic is increasing the amount of more formal teaching in primary schools, although most teachers are sensibly trying to maintain a variety of class group and individual teaching.

Meanwhile the Japanese have recently decided they need a more individually-oriented problem-solving curriculum to match the more positive attitudes to mathematics and the creativity shown by pupils in England and other Western countries. Perhaps this convergence will ensure that we meet somewhere in the middle.

The writer is Professor of Mathematics Education and Head of the School of Education at King's College, University of London.

The fashion for denouncing liberalism and giving respect to religion is wrong. If you disagree, try a visit to Jerusalem...



Muslims in Jerusalem's Dome of the Rock contemplate the stone where Abraham prepared to sacrifice Isaac. Such shrines abound and many are unpleasant

## Cradle of fanaticism

**L**iberalism is dead, the Enlightenment is over and we live in its post-modern wake. With glee a number of thinkers in recent months have denounced old liberal values – tolerance, reason, scepticism and the scientific temperament. John Gray, the Oxford political philosopher, declares that "liberalism has nothing left to teach".

But it has. It saves us from fatal error, dogmatism and delusions of possessing absolute truths. Let those who doubt it take the same trip I did last week to Jerusalem – the metaphor for all Utopian and transcendental dreams made horrible flesh. Here they will find a brisk reminder of the alternative to boring old liberal values.

Here in the old city in election week, on every side pious-believe presses in – Jerusalem, the white hot epicentre of supreme unreason. Crammed one against another, cheek by jowl, the great shrines of three world religions jostle for attention. The sight of one another's ardour serves only to stoke up their own.

Jerusalem for me was the middle-aged man in a floral shirt who stepped briskly out of St Anne's basilica to pick up his life-size crucifix that was waiting for him outside the church.

His wife trotted along behind, stooped to pick up the back end of the cross and adjusted her luminous pink cap with a big bow at the back.

Watching them set off down the Via Dolorosa, I noticed he had a mobile phone in his back pocket. If only I had his number, I would have telephoned him as he trundled along the narrow winding street. What exactly are you doing, I would have asked? What does this ostentatious spectacle signify? What meaning, what intent?

The cross, though, was not very heavy and the couple did

not stumble under its weight as they passed the station of the cross where Simon of Cyrene carried it part of the way: later I spotted a young Arab boy jauntily carrying two crosses back to the starting point for other pilgrims, like returning supermarket trolleys.

Nowhere is the mystery of religious belief more puzzling than here. Down by the Wall the crowd-like rows of ultra-orthodox men in black sway back and forth as they pray, as if in severe pain. Their sepulchral palour suggests some subterranean life inside their dark yeshivas. Is the sun unholy? And why the garb of Eastern Europe of two centuries ago? Why did the sartorial clock stop just then and not with the robes of Abraham and Moses? Heavy fur-trimmed black hats for a winter in a Polish *shul* make curious headwear in this blazing Mediterranean heat. Informed that these ultras require a ritual cleansing if they so much as brush against a woman in the street, it is tempting deliberately to touch them as they pass. Of the many things these great world religions share, their traditional view of the disgusting uncleanness of women binds them closely.

On top of the Wall is Temple Mount, occupied by the Muslims. Inside the resplendent Dome of the Rock the shoeless faithful salaam and pray upon the rugs, contemplating the great stone that fills the centre of the mosque – the very spot where Abraham prepared to sacrifice Isaac, and where the prophet Mohammed ascended to heaven.

Shrines that mark The Very Spot abound in Jerusalem and pretty unpleasant spots many of them are. Standing on Golgotha is a good place to contemplate the perversity of a religion that has sacrificed a particularly disgusting Roman torture. It is as if Jews had decided to wear



POLLY TOYNBEE

important tenet in Christianity. On the floor a small, yellow stone is the place where He rose, and it is also the spot where both Christians and Jews expect the Messiah to be beamed down again some day. (Just below is buried, among many others, Robert Maxwell, vying to be first out of his grave when that Day comes.)

Most of the important shrines are oddly seedy, decked with dusty hangings like dirty antimacassars, murky paintings of astounding crudity and fetishes to defy the credulity of even the most ardent. The idea that great art is a justification for religious belief is surely dispelled here where aesthetics have no place.

But no – great swarms of obedient worshippers, elderly parties in matching tour hats, delegations with video cameras sent by their churches, queue patiently for their brief airless moment in the Grotto of the Nativity in Bethlehem. There pilgrims will find a tin star, some plastic candle holders and a round hole in the marble to mark the spot.

Stranger still was the Milk Grotto, where on the Flight into Egypt Mary let a drop of milk fall on the floor of the cave, turning it white (actually, dark grey.) There the Franciscans sell small packets of powdered white Mary's milk. Down steep steps into Mary's tomb, near Gethsemane, spotlights inside her empty sarcophagus illumin-

nate dust and a few dollars. How does faith survive these things? Surely no one who has been to this traffic-choked, tense and turbulent West Bank town will ever sing "Oh little Town of Bethlehem" with quite the same sentimental gusto...

Now all this could be just embarrassing or comic. What does it matter if people want to believe in angels? Perhaps good liberals should simply shrug and tolerate – it is what we good

and tolerate. But standing on the Mount of Olives last week and looking down on the beautiful old city with the golden Dome of the Rock gleaming in the sunset was a moment to contemplate the extraordinary damage religion has done the world. On that day the election in Israel had just delivered more power to religious fanaticism, no doubt to be retaliated against in like vein. Fundamentalism marches onward around the globe and much of it sprang from blood-soaked Jerusalem.

Liberalism has grown complacent and lazy. It has taken to tolerating its enemies, but now it is time to stop. The intolerant should be intolerable. It is polite to mouth "respect" for religion – but why? Even if religion is partly just a tribal battle banner, it provides a fearsome moral justification for savagery and hatred. With the light of divine love shining in their eyes, they reach for their automatons.

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## Let's make the global playing field level

The new international economy requires a worldwide code of ethics, argues Denis MacShane

**T**he new international economy has become the most important reference point in modern politics. Argument rages over two questions: has the economy become global and left behind all connections with national economic systems? Or are economic relations reverting to a classic capitalism such as existed before 1914, when capital, goods and people flowed backwards and forwards across frontiers without much let or hindrance? What is undisputed is the monumental impact the new global multinational economy is having on workers and their communities around the world.

It is not only the classic proletarian or peasant who is threatened. Robert Reich, the US Labor Secretary, whose writings have been so influential with new Labour, has written of a new caste of workers – the "symbolic analysts" – whose education and training makes them top dogs in the post-national labour market. Yet these degree- and diploma-stuffed workers are suffering from the crisis of job losses and financial insecurity. Even top managers who appear sleek and powerful as they sit in the business-class airline lounges of the world look anxiously over their shoulders, worrying about relentless competition that can wipe out their salaries and family hopes at a stroke.

These pressures have given rise to the politics of "new protectionism".

This is advanced mainly from the right by figures such as Sir James Goldsmith who want Britain to be detached from Europe. In the US, Pat Buchanan and Ross Perot offer their "vivid metaphor" about the "giant sucking sound" of Mexico pulling jobs out of America under the North American Free Trade Agreement (Nafta). In France, Jean Marie Le Pen has replaced the faded French Communist Party's slogan "Achetez français" with his railing against Brussels and Hollywood culture.

The "new protectionists" represent a challenge to the modern left. Some on the left have argued, notably starting from an environmental position, that decoupling from the new international economy is needed to restore national and local economies and civil society. But the trouble with protectionists is that it is a strong easy to begin pulling but hard to stop unravelling.

What does one protect? French car companies would love to be protected against Nissan, Toyota and Hondas made in Britain. The UK steel industry exports £3bn worth of steel each year to Europe – six times the value of beef exports. European steel companies and their governments would like nothing better than to slow down those exports from South Wales and South Yorkshire.

There is an alternative to inward-looking protectionism and that is

outward-looking solidarity. Banks and businesses are busy creating new rules for the international economy. Whether at the global level of the World Trade Organisation (WTO) or at a regional level in the European single market, business needs rules and laws, enforced by tribunals and courts, to guarantee the rights of capital and property as both move off-shore.

The scandal of child labour needs to be abolished, like slavery

But *homo economicus* lives in society and works with other employees in a complex set of local, national and transnational relationships. In parallel with the post-national, commercial law-making to be seen at the WTO, in Europe or under the Nafta agreement there is a need for global action to enhance social and environmental rights.

These can take various forms.

The core of a social clause is simple enough. There are a handful of workplace rights laid down by long-standing international conventions agreed by governments, employers and unions working in the tripartite International Labour Organisation. Respect for these should be a condition for full access to the world trading system.

It is not a question of imposing wages or norms from the North, but of allowing workers in Asia, Africa and Latin America to represent themselves and seek to earn enough to buy the goods they make.

Business ethics is now an increasingly discussed theme, as company executives face invitations to corruption or to sanction pollution in order to cut a deal. Codes of ethical and environmental conduct for multinationals could create a level playing field so that firms could compete on quality and price, not by indulging in dubious practices.

The scandal of child labour – not children helping on family farms or delivering papers, but full-scale, adult-level work – needs to be abolished with the same fervour as the campaign against slavery. The global economy is seeing an increase, not a decrease, in child labour and only an outright ban will work.

A new FLAT tax – or Forced Labour Added Tax – would be a tar-

iff on goods produced with forced, slave or prison labour. A tax on international currency speculation is now accepted by mainstream economists as desirable and workable. Banks will scream but since money is now a commodity to be bought and sold at a profit, it can carry a modest sales tax.

Trade unions also need a prod to step up their international work by putting substantial resources into developing a labour response to the international economy. Help to widen labour's approach to the global economy could be spurred by seconding union officers to work in embassies overseas.

There is not a single, simple, off-the-shelf proposal that would create an international social response to the new post-national economy. This effort will require concerted work by government, because the final paradox of the new world economy is that it is more and more dependent on government co-operation to make it work. Governments are not powerless in the face of world economic development. A good start to prove the point would be for Britain to line up with other nations to promote world social rights and rules.

The writer is Labour MP for Rotherham. His pamphlet "Global Business: Global Rights" is published this week by the Fabian Society.

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THE INDEPENDENT • Wednesday 5 June 1996

BUSINESS NEWS DESK: tel 0171-293 2636 fax 0171-293 2098

## Lang gags Littlechild ahead of British Energy sale



**MICHAEL HARRISON**

The prospectus for the flotation of British Energy, the nuclear power generator, will include a "gagging" clause to restrict the industry regulator Professor Stephen Littlechild from making statements that could affect the price of the shares in the first three months of trading.

The unprecedented move follows the furore over the £3.6bn sale last year of the Government's remaining shares in National Power and Power-

Gen when Professor Littlechild prompted a collapse in share prices on the second day of dealing by announcing a review of electricity prices.

The British Energy pathfinder prospectus, due to be published next Monday, will contain a statement from the regulator to the effect that he has agreed with the President of the Board of Trade, Ian Lang, that he does not intend to make any announcement that could influence the share price and will be bound for a period of time.

Professor Littlechild will, however, retain the right to make statements in "exceptional and unforeseen" circumstances. Mr Lang will accept he cannot fetter the regulator's discretion to respond to particular developments within the electricity sector.

Shares close to the flotation yesterday said that the Littlechild clause placed a "moral obligation" on the regulator not to say anything that would seriously undermine or compromise the flotation. Including

the period between the publication of the pathfinder prospectus and the full prospectus in July, Professor Littlechild will be bound by the statement for four months.

This is the first time such a restriction has been placed on an independent regulator and reflects the Government's anxiety to ensure there is no repetition of the Gencos 2 fiasco in March last year.

A week before dealings in National Power and PowerGen began Offer advised the Treas-

ury that it was considering making a statement about electricity prices. However, the Treasury and its advisers decided that this was not material or therefore disclosable in the prospectus for the sale.

A day after the new shares began trading Professor Littlechild made his announcement and the price of shares in both companies fell below the offer price. National Power considered suing the Treasury over the debacle and a number of overseas institutions threatened to withdraw

hold payment for their shares. The Treasury held a subsequent inquiry that exonerated its officials of any blame, but conceded that lessons had to be learned.

One of the recommendations was that in future privatisations, the regulator time his decision-making in such a way that he avoid making announcements during a "black-out" period starting before the share offer closed and ending some time after share trading began.

The statement inserted into

the British Energy prospectus is based on this recommendation and is being called the Beastall clause by the Government's advisers after John Beastall, the Treasury official who carried out the inquiry.

The pathfinder prospectus for British Energy will include a dividend forecast, confirmation that the interim and final dividend will be paid within the first year and details of extensions granted to the working lives of its four newest stations.

Comment, page 17

## Cadbury sells stake in drinks venture with Coca Cola

**NIGEL COPE**

Cadbury Schweppes is to sell its 51 per cent stake in its UK soft drinks joint venture to Coca Cola Enterprises, a publicly quoted US group which is 44 per cent owned by Cadbury's arch-rival, Coca Cola.

The deal nets Cadbury £630m, which will be used to reduce debts, and marks the end of the 10-year-old Coca Cola Schweppes Beverages joint venture.

No brands are changing hands and Cadbury will continue to produce its top UK drinks, which include Dr Pepper, Schweppes mixers, Sunstik and Kina-Oré. However, the deal gives Coca Cola effective control of Cadbury's UK bottling and distribution business and continues Coca Cola's policy of concentrating its bottling arrangements among a smaller number of companies.

Cadbury Schweppes's chairman, Dominic Cadbury, said the

deal would enable the company to concentrate on developing its brands without capital tied up in bottling plants. There are "no competition" clauses in the deal, which prevent Coca Cola from manufacturing products that would compete with Cadbury's.

Mr Cadbury said Coca Cola had approached Cadbury about ending the arrangement in April. Relations between the two parties have been deteriorating in recent years as the American giant wanted to exert more control over the joint venture even though it was the minority shareholder. It is thought that Coca Cola had become uncomfortable with its bottling and distribution being handled by a company that was now a big competitor.

It is understood that Cadbury would have been uncomfortable about selling its stake to Coca Cola directly. Hence the decision by Coca Cola to sell its stake to Coca Cola Enterprises.

es, the largest bottler and distributor of Coke in the US.

The joint venture employs 2,200 staff in five plants in Wakefield, Sidcup, East Kilbride, Milton Keynes and Edmonton as well as a nationwide network of distribution depots. Cadbury says it has received assurances from CCE that there will be no job losses.

Cadbury has also signed a 15-year franchise agreement with Coca Cola Enterprises that will secure its UK distribution and bottling arrangements. It will also be paid £1.1m a year more for its concentrates over the next 15 years.

Cadbury's UK soft drinks business recorded a profit of £110m on sales of almost £1bn last year. CCSB's profits have mushroomed from just £5m in 1987 to £127m last year. However, the company said it felt the same level of growth could not now be expected in future. Profits fell last year in spite of the warmest summer since records began.

The company has found its market position threatened by increased competition, particularly from supermarket own-label drinks, and margins squeezed by a rise in raw material prices, such as packaging. For Cadbury the deal will re-

duce debts from £1.3bn to around £700m and reduces gearing to 44 per cent. This will give the company more flexibility to pursue other acquisitions.

It does not mean that it was filling its war chest for a mega-bid. Analysts say it does have a wish list of acquisitions but its targets are predominantly confectionery companies such as Lindt of Switzerland and Ritter of Germany.

Mr Cadbury said the strengthened financial position was more likely to be used for in-fil acquisitions and other investments similar to those in Russia and China where it is building major confectionery plants. Cadbury Schweppes shares were marked 17p higher to 498p yesterday.

Comment, page 17



Capital out of the bottle: Dominic Cadbury says the sale will allow Cadbury Schweppes to concentrate on developing its brands

## Johnston acquires Emap titles for £111m

**PATRICK TOOHER**

Emap yesterday sold its regional newspaper business – the original cornerstone of its burgeoning media empire – to Johnston Press, the Edinburgh-based newspaper company, for £111m. The 65 titles being sold include the *Sandford Mercury*, first published in 1695 and one of Britain's oldest newspapers.

Robin Miller, Emap's chief executive, said: "It's clearly a momentous day for Emap. We were founded on local news papers back in 1953 as East Midland Allied Press. But spending £500m in the last couple of years has caused us to think where our priorities lie."

Johnston, which fought off competition from rivals including Midland Independent Newspapers, is funding the deal with a one-for-two rights issue at 169p, raising £11m. Buying Emap's regional titles increases Johnston's position in the UK regional newspaper market from 11th to fifth. In the year to March, the Emap titles made on-going operating profits of

£13.1m on \$100m sales. Shares in Johnston rose 4p to 210p, though Emap fell from near an all-time high to close 27p lower at 67.5p.

Although the deal more than halves Emap's borrowings to £150m, Mr Miller insisted getting the balance sheet back in shape was not the main reason for selling the regional news business. "There are better and different things for us

to spend our money on."

Emap has expanded rapidly into radio, specialist consumer and business magazines and the exhibitions market. This year, it paid £142m for the French magazine interests of media giant CLT, which include the *Tele-Star* television listings guide with a circulation of 2 million. The company is keen to boost subscription revenue, currently 46 per cent of

turnover, by expanding its fledgling electronic publishing activities. Further expansion in the US business information market is also on the cards.

News of the deal came as Emap announced a 35 per cent increase in pre-tax profits to £86.5m on sales 29 per cent higher at £705m for the year to March. The profit figure excluded an £8.2m charge taken to restructure business acquired

from the year. Radio was the strongest performer with operating profits up 178 per cent at £14.6m, helped by contributions from recent acquisitions of TransWorld Communications and Metro Radio.

The drop in Emap's share price surprised analysts, who argued it had sold out on very good terms. "It's right at the top end," said Mike Hilton at Kleinwort Benson. "To get £21.1m for a slow-moving newspaper business making £1.1m is a pretty good price."

Emap argued the deal would be earnings-neutral but Mr Hilton disagreed, saying the high exit multiple of 30 times post-tax earnings meant his pre-tax forecast for the year to March 1997 would be raised to £10.2m from £10.1m.

The deal marks the latest stage in a period of rapid consolidation in the market. The departure of big media players like Emap and Reed and Thompson leaves Pearson's Westminster Press as one of the few regional chains still owned by a large

publisher of the

## Midlands warning hits shares

Shares in Midlands Independent Newspapers dived 24p to 123p yesterday after the regional publisher warned on profits and admitted it had failed in an attempt to buy Reed's regional titles, but they eventually went to a management buyout team.

Analysts noted the failure to cut pre-tax profit forecasts for the year to December to £15.5m from £17.5m.

Shares in Midland have been dull performers since they were floated on the stock market in 1994 at 140p.

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Shares in Midland have been dull performers since they were floated on the stock market in 1994 at 140p.

## National Grid prepares for attacks over pay

**MICHAEL HARRISON**

Directors of the National Grid are bracing themselves for a fresh controversy over pay when the company unveils details of a new long-term incentive scheme for senior executives next month.

The company caused outrage last year when it emerged that senior directors, led by the chairman, David Jefferies, were in line for dividends of almost £500,000 linked to the flotation of the Grid on top of big salary increases.

The company refused yesterday to spell out the terms of the incentive scheme or the performance targets that would have to be met as it announced a 1 per cent increase in pre-tax profits to £61.6m for the year to 31 March. Shareholders will be presented with the details at the annual meeting on 26 July by Malcolm Williamson of Standard Chartered bank, the

non-executive who chairs the Grid's remuneration committee. The other two members are Bob Fairclough, former chief operating officer of BT, and Trevor Robinson, a senior consultant with the Republic National Bank of New York.

In the flotation prospectus, the Grid said consideration would be given to performance-linked incentive plans, which would encourage executive directors to acquire and hold shares for a "significant period".

The document also stated that the policy would be to set remuneration packages in line with market practice for generation and distribution businesses and around what the lowest quarter of similar-sized industrial groups paid their executives.

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chief executive, David Jones, received £237,000 including a bonus of £49,000 while the finance director, John Utley, earned £196,000 including a bonus of £38,000. Roger Urwin, managing director of the Grid's transmission business, joined in November 1995 on a salary of £170,000.

Operating profits last year from continuing operations were 9 per cent higher at £65.6m and Mr Jones said "uplift" payments – the extra amount the Grid pays generators to ensure supply and demand are kept exactly in balance – had been cut by a further £1.2m.

In the last two years uplift payments have been reduced by £200m, which is worth about £10 off bills for the country's 23 million domestic customers.

Mr Jones confirmed that the Grid was involved in discussions with several parties about selling a stake in its telecommunication business, Energen.

## Sock Shop placed in hands of receivers

**NIGEL COPE**

The Sock Shop retail chain was placed in receivership yesterday following talks with the company's bankers. The 97-strong chain, which employs 600 staff, is the latest part of the collapsed Facia retail group to go into receivership, joining Oakland menswear, Contessa, Torq, jewellers and Red or Dead.

KPMG has been appointed

as receiver to Sock Shop and said it would continue to operate the chain as a going concern. No stores are to close and there are no immediate plans for any job losses. Tony Thompson, who is leading KPMG's 50-strong team on the Facia receivership, said: "Sock Shop is an extremely well known high street name which I am sure will be attractive to potential purchasers."

Mr Thompson said strong interest had been expressed in the various parts of the Facia group. Stephen Hinchliffe's retail empire, which collapsed with debts of £30m on Saturday.

Almost 100 expressions of interest have been received. This includes 11 for the whole group, 15 for Red or Dead, 28 for Oakland, 18 for Contessa and 16 for Torq. "Major existing high street retailers have con-

tacted us expressing interest in all or part of the group and I expect further strong offers to come in." Eight offers for the property side have also been received. Grant Thornton has received more than 30 expressions of interest in Salisbury's, the luggage store group, that is also in receivership.

Facia's shoe business such as Freeman Hardy Willis and Savile Row were placed in administra-

tion on Monday. Price Waterhouse reported healthy interest.

Meanwhile the collapse of Facia continues to reflect badly on Sears, which sold several of its shoe shops to the company. One Sears institutional investor said the Facia collapse would place further pressure on Sears' beleaguered chief executive, Liam Strong. "Let us just say that this has not helped the chief executive's cause," he said.

Stephen Hinchliffe: Empire had debts of £30m

**MICHAEL HARRISON**

Thames Water yesterday joined the flood of water companies rewarding shareholders with buy-backs or special dividends by confirming that it will seek authority to repurchase up to 10 per cent of its share capital.

Yorkshire Water is widely expected to follow Thames' plan today even though it has been roundly criticised by the industry regulator for under-investing in services.

Thames' chairman, Sir Robert Clarke, said powers to buy back up to 10 per cent of its shares "at an appropriate time" would be sought at the company's annual meeting on 30 July. A 10 per cent share buy-back would cost Thames £240m at its market capitalisation.

Thames does not look likely, however, to join the rush to become a multi-utility. Sir Robert appeared to rule out a merger with London Electricity. But he said that discussions with the company on a series of bilateral co-operation agreements were progressing well.

He was speaking as Thames

announced a 25 per cent drop in pre-tax profits after taking a £95m charge to withdraw from a number of overseas contracting businesses. The disastrous foray cost the chief executive, Michael Hoffman, his job and resulted in the international division making an operating loss of £11m on sales of £92m in 1995.

Thames has closed its US Wastewater Solutions, and has put Utig in Germany and its UK contracting subsidiary, PWT, up for sale. The businesses being disposed of lost £31m last year mainly due to a poor performance in Germany and losses on a Hong Kong contract.

Excluding exceptional items, profits were 6 per cent higher at £32.4m and the dividend for the year was lifted 12 per cent to 28.3p. Despite the planned buy-back the shares fell 11.5p to 57.9p.

Thames joins a steady stream of water companies increasing dividends strongly as they turn in annual results led by United Utilities which hiked its payout 28 per cent including a special 3.8p dividend last week.

STOCK MARKETS									
FTSE 100							Dow Jones	Nikkei	
3660							3650	22000	



## COMMENT

These companies have got more money than they know what to do with. Rather than investing it, or cutting their charges, they are handing it over to shareholders'

**Studying the detail of government statistics** must for most people seem about as interesting as watching paint dry, but just occasionally the exercise throws out a revealing fact. One such is that investment spending by the utilities has been falling for three years now. While this might be well known to close followers of these industries, and while it may be entirely understandable and justified, it none the less comes as a bit of a shock to those of us sold the line that privatisation would lead to a renaissance in spending by companies milked dry while part of the public sector.

It is hard to generalise across the gas, electricity and water industries, but it seems to be the case that after an initial burst of activity when spending was indeed dramatically higher than prior to privatisation, the utilities are now falling back into bad old ways. Last year, for instance, spending across these three industries was nearly a fifth lower in real terms than the year before.

Much has been made of apparently poor investment levels in the UK economy. But if the utilities are stripped out, the position actually doesn't look that bad. Progress is admittedly not brilliant, but at least investment in the rest of the economy is rising.

So what is happening with the utilities? Are they under-investing? Both the water and electricity regulators profess themselves satisfied with the situation. What is now happening is characterised as a trough after a prolonged period of high spending.

Furthermore it may be the case that the utilities are becoming more efficient in their use of capital. The water industry in particular seems to be getting a lot more for a lot less than anticipated at the time of privatisation. To some extent the benefit of this is already being shared with customers.

But this is by no means the whole story. Price controls were set on the assumption of particular levels of investment spending. As the gas regulator has already pointed out, if spending is not as great as anticipated, it means, in effect, that we are being overcharged. The evidence of this is in the huge repayment of capital to shareholders being undertaken by the electricity and water industries through share buy-backs and special dividends. These companies have got more money than they know what to do with. Rather than investing it, or cutting their charges, they are handing it over to shareholders. Nobody is saying they are breaking the rules, but there may be an element of cutting investment to maximise profits.

In the case of a monopoly utility, there is actually a very reasonable case for arguing that the money should be ploughed into investment whether or not it is commercial to do so, for there is an ill-defined general public and economic benefit in having a spanking new infrastructure. The Channel Tunnel will undoubtedly one day be of great economic benefit to Britain, but nobody would have invested in it had they not been hoodwinked into believing it a com-

mercial enterprise. But perhaps not. Even Labour these days finds the idea of non-commercial investment a pretty heretical one. No wonder it believes the case for a windfall profit tax - an alternative of sorts - has been strengthened by the new investment figures.

### Littlechild opts for a quiet spell

Yes, honestly, the last piece, for a while at least, on utility regulators. Many in the City would like to do a lot more to Professor Stephen Littlechild than gag him. But since nobody can apparently fire him (utility regulators are deemed so independent as to be above such mortal antics) the electricity regulator has at least agreed to keep his mouth shut for a period of four months after the British Energy pathfinder prospectus is released.

There are good reasons for this: Professor Littlechild does seem to have a habit of putting his foot in it. The electricity regulator chose the day after the Government flogged the last of its National Power and PowerGen shares to announce that he was tearing up his review of pricing controls for the electricity industry and starting again. The effect on the two companies' share prices was calamitous and investors rightly claimed that they had been hoodwinked. So this time the regulator has agreed he won't be saying anything.

The inclusion of this little nugget in the prospectus might seem more comic than anything else but there is a serious point in it. To get these bottom-of-the-barrel privatisation issues away, the Government has to ensure that they are completely blemish-free from an investment point of view. If gagging the regulator is part of the price it is thought necessary to pay for a few extra coppers, so be it.

### St James's Place turns a remarkable trick

Sometimes paying back money to shareholders really does make sense. Nobody is going to quarrel with the break-up of St James's Place Capital, which after the £123m promised to shareholders in the latest deal will have handed back more than £620m over the last eight years. St James's Place Capital is the discreet little double-act run by Lord Rothschild and Sir Mark Weinberg, the South African-born veteran of a series of highly successful insurance start-ups.

It took a bit of concentration yesterday to follow their latest wheeze: the break up returns cash to shareholders by stripping off St James's Place Capital's investment business from the rest of the group, and placing it in a quoted investment trust with £123m of assets and a fixed life of three years.

Essentially, this is a delayed hand-over of cash to shareholders - done through an

investment trust because it both saves tax and allows time to sell some of the less liquid investments.

With such a short life, shareholders can also be sure that the discount to the value of the assets will be small. What's left will be a life insurance company run by Sir Mark, still under the St James's Place name, with Lord Rothschild bowing out to concentrate on his other investments and his charity and Lottery fund work.

During their partnership, Sir Mark has stuck to his role as insurance entrepreneur, while Lord Rothschild has been the investment guru, so the deal is a neat way of disengaging their interests. They will be further distanced by the end of St James's Place's role as manager of Lord Rothschild's other investment company, RITCP. St James's Place in effect becomes an insurance company. The transaction will complete the process of stripping out the old investment assets and handing them back to shareholders.

What has happened is a quite remarkable thing. The £620m handed to shareholders over the past eight years has come out of a company now capitalised at less than £400m. No organisation has more consistently followed a policy of winding down its interests and handing back surplus capital to shareholders. It's all a long way from Jacob Rothschild's dream of empire-building in the City, but as things have turned out, it has probably served shareholders better.

## Shell chief warns of halving in fuel outlets

MAGNUS GRIMOND

The cut-throat battle on Britain's forecourts was underlined yesterday when the head of the second-largest group warned that the number of outlets could be halved to 8,000 over the next few years.

Colin Harvey, managing director of Shell UK Downstream Oil, said the intense pressures facing petrol retailers, particularly from supermarkets, and changing patterns of demand were resulting in a fundamental restructuring of the UK downstream oil industry.

Mr Harvey told the Institute of Petroleum European Retail Conference in Birmingham that overcapacity in the UK industry would result in the closure of many filling stations. "The 38,000 sites in 1985 have already fallen to 16,000. I believe that the rate of closure will accelerate and we may end up with half that number of outlets," he said.

The warning comes in the wake of the national launch by Esso, the market leader, of its Price Watch campaign in January, which was widely credit-

ed with intensifying competition. The Esso move, which promised to match competitors' prices within a certain radius of individual filling stations, was in response to the substantial market share, now estimated at around 22 per cent, carved out by supermarkets in recent years.

Shell currently has 1,905 filling stations, just behind Esso, but the main impact of the price war is expected to fall on small, independent retailers who made up around 9,500 of the 16,244 outlets recorded in the UK at the end of last year. James Frost, chairman of Frost Group, one of the biggest chains not owned by the majors, has said as many as 3,000 independent retailers could go out of business this year. The Petrol Retailers Association reckons the total number of outlets could dwindle to 9,000 or 10,000 by the end of the decade.

Mr Harvey echoed Mr Frost's forecast that continuing low fuel margins could lead to further moves towards mergers or takeovers. The Shell chairman said this was most likely to affect wholesalers and that there

was a possibility that one or more refineries would be closed. Earlier this year, BP unveiled a deal to merge its downstream interests in Europe with those of Mobil.

Mr Harvey said overall fuel demand remained static. Within that, however, petrol sales were falling and diesel sales ris-

ing. The rise in demand for diesel could make redundant previous investment by British refiners to meet rising petrol demand, he said. The switch to diesel could force oil groups to launch heavy investment programmes amounting to possibly £3bn over the next 10 years to increase the yield of diesel. But

he said "producing more diesel would make it more difficult to meet rising demand for aviation kerosene. So imports are likely to rise, to the detriment of this country's economy."

Mr Harvey warned, however, that nothing should be done to limit market forces. "Nobody owes integrated oil companies

a living. They can only succeed by ensuring that each sector of their business can compete with all others," he said.

Separately, Cullens, the convenience store operator, said it had signed an agreement with Mobil Oil to develop a number of shops on the oil company's forecourts in the next five years.

### IN BRIEF

• Deutsche Telekom warned profits could fall this year even though new business at home and abroad helped 1995 net profits surge 47 per cent to DM5.3bn (£2.2bn). Five months before its planned share sale to the public, the state-owned telephone company said 1996 sales would fall 10 per cent because of the imposition of value-added tax on sales in areas where it had a monopoly. The company also said prices would fall because of increased competition. However, the company said that Global One, the worldwide joint venture with Sprint Corp and France Telecom in business telecommunications, should achieve its 1996 sales goal of \$800m (£517m).

• A consortium led by British Petroleum and Statoil have signed a deal to exploit gas and oil fields in the Caspian Sea. The consortium will invest \$4bn (£2.8bn) to exploit the Shatagh-Deniz gas and oil deposit off Azerbaijan's Caspian coast. BP and Statoil jointly control 51 per cent of the consortium's equity, while Elf Aquitaine, LUKoil, the Iranian state oil company, and Azerbaijan's state company each hold 10 per cent and Turkey's TPAO has the remaining 9 per cent.

• FII Group, the maker of shoes for Marks & Spencer, is making 260 staff redundant in a restructuring which involves the closure of some manufacturing operations at its Stafford factory in central England. The closures at Stafford, where 200 will remain employed, follows the start of double-shift production at its Bridgend plant in south Wales.

• Liam Strong, chief executive of the Sears retailing group, saw his remuneration fall from £445,000 to £412,000 in the year to 31 January 1996, during which the company lost almost £120m before tax compared with a £154m profit the year before.

• Smiths Industries has won a Ministry of Defence contract to fit RAF Chinook helicopters with an electronic health monitoring system which continuously checks the performance of safety-critical components, providing advance warning of potential equipment failures. The company will supply the system over the next three years to the 48 Chinooks already in service or due to be delivered shortly. The MoD said it might take up options to install the system on to 275 other UK military helicopters, including Sea King, Puma and Lynx models. Meeting all the requirements would generate sales approaching £100m by the year 2000.

• The Securities and Futures Authority has expelled four individuals from its registers. They are Henry Douglas, Stefanis Michalis Kollakis, David Edward Newton and Raymond Howard Warner. The SFA said the four had ceased to comply with the criterion of integrity.

• Thorntons is closing its Flixborough factory near Scunthorpe as part of a consolidation of its two UK chocolate packing factories on to one site at Belper, Derbyshire. As a result, 81 workers at Flixborough will be offered an alternative of redundancy or an assisted relocation.

• Taylor Woodrow is to integrate its international and UK construction activities into a single operation, which will be known as Taylor Woodrow Construction and employ 6,000 people.

### De La Rue warning as competition hots up

MAGNUS GRIMOND

De La Rue, the bank note printer to the world, saw around £146m wiped off its market value yesterday after issuing its third profits warning in just over 14 months.

The company, chaired by Lord Lintern, said the continuing low level of bank note prices and difficult trading in its automated cash handling systems division would lead to first-half profits being lower than last year. In a highly cautious statement accompanying news that annual results crept ahead last year, De La Rue said:

"The year as a whole will be influenced by the degree of our success in the highly competitive conditions in banknotes."

The warning sent the company's shares reeling. The price

ended 65p lower at 65p, as analysts slashed profit forecasts for this year from as high as £160m to around £140m. Richard Finch at brokers Crédit Lyonnais said the company was caught in a classic squeeze, with the core bank note business being hit by price competition and no growth in new businesses.

Jeremy Marshall, chief executive, said they were facing competition from North America and Europe. He singled out the German group Giesecke & Devrient, which supplies half the Bundesbank's requirements at what he claimed were very high prices. "They have a cosy deal, because I don't think the Bundesbank will ever ask anyone else to print their bank notes," he said.

However, he was cautiously

optimistic that things had bottomed out. The order book stands at seven months' sales and prices have gone no lower than they were in the second half of last year. "I hope they have bottomed out and certainly most orders have not been won at lower prices."

He is looking forward to the eventual introduction of the euro single currency, which he believes will have to be a high security note because of its attractions to forgers. That should benefit De La Rue, because it will be one of the few manufacturers able to meet the high specifications needed and could set a lead for other countries.

Group profits grew 0.9 per cent to £48m, but a 16.5p final dividend raises the annual total by 3 per cent to 23.8p.

Investment Column, page 18

### Vodafone rings up 28% rise

Vodafone, the largest mobile phone operator, raised pre-tax profits 26 per cent to £475m last year, but its results showed the effects of a price war and a switch in the market to low-use customers.

UK turnover increased to £1.24bn from £1.08bn the year before, a much slower rate of growth than the £30,000 net gain in subscribers, to just over 2.45 million. Chris Gemi, managing director, said the falling trend in average revenue per subscriber was a result of the greater proportion of lower-spending individuals connected compared with business users.

But he said there were signs that this trend might be reversed by newly introduced

"bundled" tariff packages, where customers are offered some free usage with subscriptions. This had shown a "very encouraging start".

Vodafone said chum rates, the rate at which subscribers cancel, had edged down to 2.6 per cent by the end of March from 2.8 per cent a year earlier as a result of stringent controls.

Vodafone had not been expected to be hit as much as its biggest rival, Cellnet, by cancellations, following the strong entry of Orange into the digital mobile phone market.

He said new tariffs could slow the anticipated decrease in revenue per subscriber during the new few years as more personal customers mix with Voda-

fone's business-based subscribers. Revenue per customer for the year to March was £475m.

Vodafone said strong demand for mobile telecommunications continued world-wide. Subscribers abroad more than doubled last year to 385,000, 20 per cent of total users.

The company may spend up to £700m in infrastructure development and exploring international opportunities in the year to end-March 1997, Ken Hydon, finance director, said. Net debt could exceed £600m by March next year, with borrowings likely to be used to fund further strategic investments.

He added that "naturally, if we had an investment opportunity arose we could issue shares".

### Swissair bids for Allders

NIGEL COPE

Swissair went on the offensive in the bid battle for the duty-free business Allders International yesterday when it wrote to Allders shareholders seeking support for its £145m offer. The move comes less than a week after Allders is to hold an emergency meeting to ask shareholders to approve an agreed £130m offer from BAA.

Swissair says that, subject to receiving support from shareholders representing 40 per cent of Allders ordinary shares, it will make a £145m offer with conditions similar to those of the BAA deal. The letter asks shareholders to vote against the BAA deal and in favour of the Swissair proposal in due course. It has asked for a response from Allders shareholders by the end of today.

Allders advised its shareholders not to respond to the letter "pending clarifications of the respective positions of Swissair and BAA".

BAA issued a statement saying: "We understand Swissair have said they will now make a seventh conditional offer, albeit of no greater value and with no more guarantees than the others. However, we will consider the matter in the morning."

It is possible BAA may raise its offer rather than risk seeing its proposal voted down in favour of Swissair's offer.

The Swissair move is a welcome one for Allders which already has an agreed deal of £130m from BAA but could now find the offer increased as the prospect of an auction nears.

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# business

## De La Rue offers little of note

### THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

De La Rue, the bank notes to smart card group, has won itself few friends in the City by announcing its third profit warning in little over a year. The situation is made all the worse given that the first intimation that all was not well came just after the £680m acquisition of security paper group Portals, for which, even after £160m of disposals, it is clear De La Rue paid too much.

The problem is that, despite its commanding position in the world's commercial market for bank notes, the group is being hampered by cheap competition. The situation is not necessarily immediately apparent from last year's figures, which are distorted by Portals' first full contribution of £25m and a number of other one-off factors.

Pre-tax profits crept up nearly 1 per cent to £148m in the 12 months to March, but underlying earnings per share, down 22 per cent to 42.5p, give a better clue to the state of the underlying business. De La Rue managed to claw back most of the near-20 per cent first-half decline in bank note volumes, but the 12 per cent up-tick in the second six months was won at some cost. Prices fell throughout the year, ending 10 per cent down. With an overall 4.4 per cent fall in volume on top, it is little wonder profits from banknote printing slumped by £17m last year.

The company is cautiously optimistic that the price slide has bottomed out and says the order book, extending out seven months, has not been built on the back of lower prices. The difficulty is, however, that its hi-tech, forgery-resistant bank notes are expensive for third world countries when the world is awash with capacity in the wake of the break-up of the Soviet bloc. The recently-created eastern European countries have largely satisfied their demand for new currency notes and some, like the Ukraine, are also building their own capacity with the assistance of De La Rue.

The group has moved to deal with the problems identified last year at the cash handling systems operation, where profits dropped from £38.5m to £38m before an £18.3m provision for the cash costs of shaking up the business over the next two years. Management has been changed and Mr Marshall reckons the payback on the total £20.9m cost of the exercise will come within that period. But the German recession and US bank mergers which have hit the business continue to affect growth.

Meanwhile, the one-off boost from the stake in Camelot, the National Lottery group, will not be repeated this year. That slipped in £17.4m, up from £2.4m last time. Assuming group profits of around £140m this year, the

shares, down 65p at 65p, stand on a prospective p/e of 14. The brave will see that as representing a buying opportunity, but the more cautious may want to hold off for now.

### MEPC fails to raise the pulse

Property companies have yet to come in from the cold after the boom-and-bust years of the late Eighties and the false dawn of three years ago. In the case of MEPC, the second-largest player in the UK sector, paying an uncovered dividend for several years did little to improve adverse sentiment.

Restoring confidence among investors in the City is clearly taking time as the broadly sideways movement in MEPC's shares over the last 18 months indicates. Even yesterday's news of a respectable 11 per cent rise in first-half pre-tax profits to £67m, including a 25m gain on the sale of fixed assets against £27m last time, created few waves.

Getting out of Europe now is probably a good move given the fragile state of France and Germany. But increasing exposure to the US property market via the recent £190m purchase of North American Property Unit Trust raises more questions than it answers. MEPC owns large shopping malls in California, Atlanta, Florida and Las Vegas, but the US retail climate for lo-

cal and national operators remains uncertain. Although the UK commercial property market is still patchy, a lower tax charge and interest charge should ensure pre-tax profits reach £140m (£123m) this year and a maintained 20p dividend is not paid out of shareholders' funds. At 41.5p, down 3p, the shares stand on an estimated 7 per cent discount to net assets, in line with the top seven developers. Unexciting.

### TLG delivers on promises

TLG, the buyout of Thorn's lighting equipment operation, has delivered on its promises since its flotation at 115p in November 1994. Sold on the back of a strong UK market for lighting products, it has continued to prosper against the background of enduring recession in the rest of Europe.

Yesterday, in its first full set of results since its stock market debut, TLG announced pre-tax profits up 50 per cent to £28.5m for the year to March. Interest charges cut from £6.7m to £9.000,000 as a result of the repayment of huge buyout borrowings following the float was the main propellant behind the figures. More illuminating of the underlying picture was the 11 per cent rise in pre-exceptional operating profits to £29.5m.

That was an impressive performance given a halving of the rate of growth in the UK lighting market last year, a reversal from 3 per cent growth to a near 4 per cent fall in France and another 7 per cent slump in Germany. TLG has won market share without apparently conceding margin - gross return on sales held at 30.7 per cent.

Continued attention to production efficiency and new products are part of the group's secret of success. But while there is plenty to go for in western Europe, the real excitement lies elsewhere. Sales in Hong Kong and into China jumped 30 per cent last year, earning margins of 9 per cent compared with 7.8 per cent for the group. Yesterday's £2m buyout of the rest of the DNT Europe associate in Australia will help cement TLG's leading position in airport lighting in the Far East. Meanwhile continued expansion in eastern Europe, growing at double the rate of the UK offers interesting prospects closer to home. A new £65m loan facility also raises the prospect of chunkier acquisitions than hitherto.

Profits of £31.5m would put the shares, down 3.5p to 160p, on a forward multiple of 14. Good value.

## Baring goes over to the gnomes of Warburgs

### CITY DIARY

JOHN WILLCOCK

Our heartiest congratulations to Francis Baring, former head of corporate relations at his family bank, on his move to a similar role at SBC Warburg. After the Lesson debacle, Francis was at somewhat of a loose end, as the ING people moved in to reorganise the bank. No doubt his experience of clashing cultures will be of good use; he is moving from Britain's oldest and most blue-blooded merchant bank, which was taken over by the Dutch post office, to what was Britain's flagship investment bank, which was in turn snapped up by Swiss

Jens Tholstrup, who was plucked from Warburg's corporate finance department post-merger to become SBC Warburg's mouthpiece, is now returning to the quieter world of mergers and acquisitions. As head of corporate communications in London, Mr Baring's understated charm should help SBC Warburg's cause, particularly as it continues to suffer key staff defections.

Defections such as Michael Hammond, SBC Warburg's joint head of equity syndication, who is off to Fleming as head of European equity capital markets. Get onto it, Francis.

There was an air of eras drawing to an close for Jacob Rothschild yesterday. The announcement that he was taking a less active role at St James's Place Capital, the financial services group he built with Sir Mark Weinberg, was overshadowed by the funeral of his stepmother, Teresa. Meanwhile, continued expansion in eastern Europe, growing at double the rate of the UK offers interesting prospects closer to home. A new £65m loan facility also raises the prospect of chunkier acquisitions than hitherto.

Profits of £31.5m would put the shares, down 3.5p to 160p, on a forward multiple of 14. Good value.



Distribution problem: Whittard of Chelsea, the tea and coffee retailer seeking an AIM listing, has found a historic document in its due diligence investigation. A leaflet sent to customers during the Second World War said: "We regret to inform you that, through enemy action, our office and warehouse in Mansell Street have been completely destroyed, together with most of our records." The unflappable tea importers then say they are "exceedingly sorry for the inconvenience. Also it would be welcomed if unpaid accounts could be settled, as we are unable to send out any settlements." As Winston Churchill said at the height of the Blitz: "Business as usual."

Group, which was going to storm the Institute of Chartered Accountants and make it more accountable to the ordinary membership. Come the ICA's annual general meeting though, and he gets just one vote for his proposals, apart from himself and his son.

Capital Partners. He said yesterday that setting up the fund, one of five distributors of Lottery money, had taken far more time and energy than anyone had foreseen. What with his other activities such as completing the restoration of Waddesdon Manor, a magnificent Rothschild mansion, "it all got a bit much." He is still keen on investing, though - "I've time to be an investor."

Talk about a damp squib. Jeff Wooller, an accountancy colleague, has been telling everyone about his Ginger

Group, which was going to storm the Institute of Chartered Accountants and make it more accountable to the ordinary membership. Come the ICA's annual general meeting though, and he gets just one vote for his proposals, apart from himself and his son.

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There was a lighter side when a member pointed out that the annual accounts explained "income - money in; expenditure - money out." Why, the member asked to loud roiling laughter, did income and expenditure have to be explained to chartered accountants? I think we should be told.

HOW TO PLAY

### QUESTIONS

All questions related to goals scored do not include goals scored in penalty shoot-outs.

points value

1. Which striker from the list on the opposite page will score the most goals in Euro '96?	14
2. Which striker from the list on the opposite page will score the least goals in Euro '96?	13
3. Which goalkeeper from the list opposite will concede the least goals in Euro '96?	11
4. Which goalkeeper from the list opposite will concede the most goals in Euro '96?	15
5. How many goals will be scored in total in Group C, (Czech Rep., Germany, Italy, Russia)?	5
6. How many goals will there be in the England v Switzerland game?	7
7. How many goals will there be in the Turkey v Croatia game?	6
8. How many goals will there be in the Netherlands v England game?	9
9. How many yellow cards will be issued in the quarter-finals?	8
10. How many substitutions will there be in the Wembley semi-final?	12
11. How many shots on target will there be in the Netherlands v Scotland game, figures based on ITV statistics?	16

### HOW TO SCORE

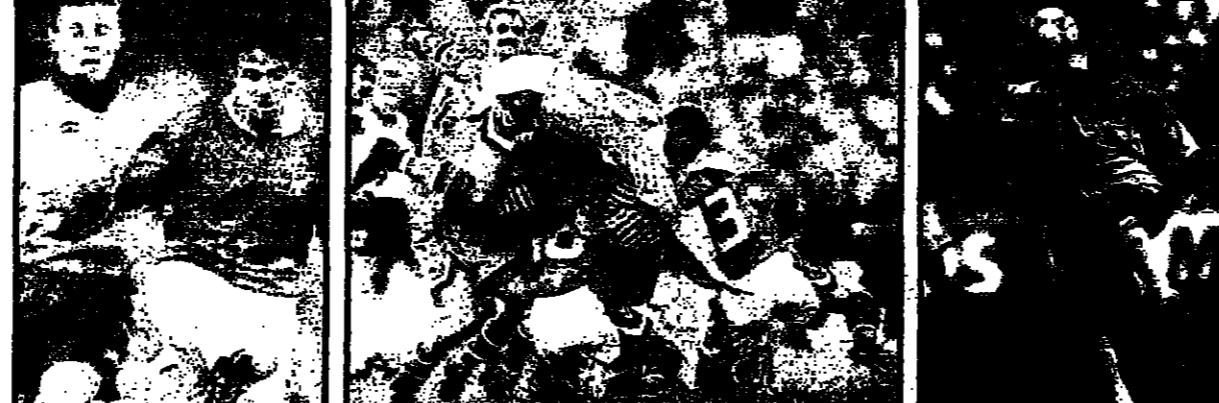
Each of the 11 questions has a points value. If you answer any of the questions correctly you will earn the points attributed to that question. The individual with the highest number of points will win our prize, a VIP trip to see Milan in an important home match next season.

Details of how to enter are given opposite. You can enter at any point up until 12.00 noon on Saturday 8 June 1996, the first day of Euro '96.

Each of the 11 questions has a points value. If you answer any of the questions correctly you will earn the points attributed to that question. The individual with the highest number of points will win our prize - a VIP trip to see Milan in an important home match next season.

You will be flown to Milan, fashion and football capital of the

## Play THE INDEPENDENT european championship football forecast



Call 0891 363 392\* To Enter Call 0891 363 391\* Pulse phone

calls charged at 35p per minute cheap rate and 45p per minute at all other times

Tone phone

calls charged at 35p per minute cheap rate and 45p per minute at all other times

The 16 competing countries are divided into four groups, with the leading two from each section going forward to the quarter-finals. From then on it's sudden death.

All questions will be answered at the Wembley final in under seven weeks. Meanwhile, our appetites already whetted by the presence in English clubs of leading Europeans (France's Eric Cantona and Holland's Ruud Gullit), we can expect a feast of football.

The opening game - England vs Switzerland - is on 8 June. Two days later Scotland play the Netherlands at Villa Park.

The 16 competing countries are divided into four groups, with the leading two from each section going forward to the quarter-finals. From then on it's sudden death.

In this sporting spirit The Independent and the Independent on Sunday invite you to test your footballing knowledge. Play our Euro '96 competition and you can pit your footballing expertise against other readers and a selection of celebrities.

Ultimate you have the chance of winning our prize: a VIP trip to watch Milan play an important home match next season.

### ANSWERS

CODE	Strikers	Numbers	Goalkeepers
500	A. Goran (Scotland)	544	Eighteen
501	P. Schmeichel (Denmark)	545	Nineteen
502	R. Stoichkov (Bulgaria)	546	Twenty
503	D. Salas (Spain)	547	Twenty-one
504	Z. Zidane (France)	548	Twenty-two
505	R. Kluivert (Netherlands)	549	Twenty-three
506	D. Bergkamp (Netherlands)	550	Twenty-four
507	J. Klinsmann (Germany)	551	Twenty-five
508	G. Zola (Italy)	552	Twenty-six
509	F. Ravanelli (Italy)	553	Twenty-seven
510	D. Simeone (Portugal)	554	Twenty-eight
511	A. Morientes (Spain)	555	Twenty-nine
512	A. Shearer (England)	556	Thirty
513	V. Baia (Portugal)	557	Thirty-one
514	B. Lame (France)	558	Thirty-two
515	B. Mihailov (Bulgaria)	559	Thirty-three
516	A. Zubizarreta (Spain)	560	Thirty-four
517	A. Kappa (Germany)	561	Thirty-five
518	A. Paruzzi (Italy)	562	Thirty-six
519	E. Van der Sar (Netherlands)	563	Thirty-seven

### HOW TO ENTER

Study the 11 questions opposite carefully.

Using your knowledge of football, choose an answer for each question from the answer list below.

Make a note of your answer to each question together with each answer's three-digit code (to the left of the answer).

You will use the three digit answer code to input your answer for each question into our computer telephone entry system.

You will also be asked on our entry line to tell us verbally the total number of goals you believe will be scored in open play (not including penalty shoot-outs) during Euro '96 before you leave your own details. You will then receive your unique PIN number which is the only valid proof of entry. Have a pen handy to note this down.

If you do not receive a PIN then your selection has not been registered.

The lines are open 24 hours a day until noon on Saturday 8 June 1996. You may enter as many times as you wish and you will receive a different PIN for each entry.

If you have selected your 11 answers you will have a list of 11, three-digit answer codes plus your figure of total goals scored in Euro '96. Now dial our entry line.

If you have a Pulse phone, one which makes clicking noises when you dial, then dial 0891 363 392. If you have a Tone phone, one which makes tone noises when you dial, then dial 0891 363 391.

Once you have a Pulse phone, one which makes clicking noises when you dial, then dial 0891 363 391.

By following the instructions given on the line carefully and double checking the selection is correct before you dial, your entry into the game will be

the winner.

In the event of a further tie, a Euro '96 football quiz will be set by The Independent Sports Editor to decide the winner.

Sorry, not available in the Republic of Ireland.

Newspaper Publishing PLC reserves the right to stop the game at any time and change the conditions.

Entries, incomplete or incorrect selections will not be accepted.

Sorry, not available in the Republic of Ireland.

Newspaper Publishing PLC is not responsible for any entries lost or delayed in transmission.

Newspaper Publishing PLC's decision is final in all matters relating to the game



# market report/shares

## Data Bank

### FT-SE 100

3755.2 +16.0

### FT-SE 250

4492.5 -13.0

### FT-SE 350

1901.5 +5.0

### SEAO VOLUME

774.7m shares,

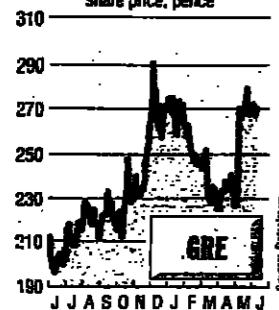
32,200 bargains

### Gilts Index

92.40 +0.38

### SHARE SPOTLIGHT

share price, pence



Source: Standard &amp; Poor's

## Hanson is as Hanson does – and fails to win over City

## TAKING STOCK

Analysts may huff and puff but the stock market refuses to accord Hanson the deep respect many of them feel it deserves. When earlier this year Lord Hanson astonished the financial community by declaring his intention to split the sprawling conglomerate he had created into four stand-alone companies the shares touched 212p: well below the 235p hit a year ago and the near-300p of a year earlier.

Still, with some analysts suggesting a break-up value approaching 240p it appeared the old master had enhanced shareholder value by performing yet another corporate conjuring trick.

But since then Hanson has had a subdued time. Worries about the group's debt mountain, its dividend policy, the sheer magnitude of the four-way split and a tendency in some quarters to come out with rather less heady break-up

valuations have tempered enthusiasm. And even talk of bids for the constituents has failed to generate excitement.

Last week ABN Amro House Govett, Hanson's stockbroker, suggested the demerger value was 213p. With confidence conspicuous by its absence Hanson has remained friendlier. Its shares fell a further 1p to 184p with talk of large lines of stock hovering. The look set to hit a new low.

The latest Hanson woe occurred as blue chips perked up,

with the FT-SE 100 index up

16 points at 3,755.2. Supporting shares, as measured by the FT-SE 250 index, missed the fun.

Insurances caught attention as the market closed with stories circulating again that bid action was imminent. GRE, the old Guardian Royal Exchange, captured much of the excitement with a late move of 4p to 270p in moderately brisk trad-

ing. Since the proposed Royal Insurance/Sun Alliance merger was announced the market has speculated about further defensive unions and continued to wonder whether Continental groups still nurse a taste for UK counterparts. General Accident was also pushed into the frame, up 10p to 115.5p – a two-day gain of 21.5p – on stories that it is near finalising its debt negotiations.

The company, although attempting to dampen hopes of an early deal, admitted a settlement with its banks by the end of this month was "not an unrealistic objective". Some believe shareholders will get a much less harsh deal than many had imagined. Japanese

institutions, often operating through Paris, were rumoured to be determined buyers.

De La Rue's profits caution cost the shares 65p to 656p; Thames Water declined 11.5p to 579p on its ebbing profits and Inspec, a chemical group that came to market two years ago at 160p, fell 59p to 284p on a profit warning.

Emap's results and not unexpected £211m sale of its newspaper division left the shares nursing a 27p fall at 675p. Midia, Independent Newsmedia fell 24p to 123p on a profit warning. It was floated at 140p two years ago.

Barclays jumped 16p to 744p in late trading as it became known it had undertaken a series of meetings with analysts. One described them as positive and it is thought profit forecasts will be raised. Royal Bank of Scotland continued to feel the heat of bid speculation, up 12p to 539p.

SmithKline Beecham, reflecting a new treatment for cold sores, put on 16.5p to 674p and International Biotechnology Trust, largely investing in US stocks, added 11p to 149p after declaring an asset value of 159.7p.

Moss Bros, the clothing retailer, surged 142p to 1,280p, a peak. It is thought to be near to mounting a takeover bid with Austin Reed the expected target.

Instock, the brick maker, firms 1p to 69p and the nil-paid convertible, issued in relation to the proposed £160m take over of Redland's brick division, put on 1.5p to 8p.

First the metal group, rose 4p to 64p as it disclosed it was buying a fast-growing logistics management firm for the repair and overhaul of aircraft parts, Airimmar, for £4.53m in shares. It is placing shares at 60p to fund the takeover and provide working capital.

## MARKET REPORT

### DEREK PAIN

Stock market reporter

of the year



United Biscuits managed a 3p gain to 221p (after 224.5p) on the lurking suspicion Cadbury, which nibbled at company a few years ago, may use some of its "Coke" cash to attempt a bid.

Euromonitor added another 10p to 115.5p – a two-day gain of 21.5p – on stories that it is near

finalising its debt negotiations.

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## Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up 20 per cent as a percentage of the share price. The price earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: Ex date = Ex date + 1; United Securities Market & Suspended = 0; Parity Paid = Nil Paid Shares.

Source: FT Information

## The Independent Index

The index allows you to access real-time share prices by phone from Stock Supply dial 0891 233 335, followed by the 4-digit code printed next to each share. To access the latest financial reports dial 0891 233 followed by one of the two-digit codes below.

FT-SE 100 – Real-time 00 Sterling Rates 04 Production Issues 36  
UK Stock Market Report 01 Building 05 Water Shares 39  
UK Company News 02 Motor 06 Electricity Shares 40  
Foreign Exchange 03 Tokyo Market 21 High Street Banks 41

Anyons with a tone-dial telephone can use this service. For a detailed description of The Independent Index, including its portfolio facility, phone 0891 233 333.

Call cost 10p per minute (cheap rate), and 49p at all other times. Call charges include VAT.

## Market leaders: Top 20 volumes

Stock	Volume	Stock	Volume	Stock	Volume
Unilever	2000000	BT	800000	Hanson	550000
Century Scher	1900000	British Gas	800000	Orcaida	500000
Smg Design	1900000	Licorice	700000	Prudential	500000
Btth Steel	900000	Smith & Nephew	700000	National Power	500000
Btth	900000	Code & Wire	600000	Rob Royce	400000

## FT-SE 100 index hour by hour

Open	3743.9 up 4.7	11.00 3738.1 up 2.8	14.00 3732.1 up 2.8
9.00	3738.2 up 0.3	12.00 3736.4 down 0.8	15.00 3733.1 up 1.9
10.00	3736.0 down 3.2	13.00 3738.0 down 1.2	16.00 3732.2 up 1.6

## On Exploration

After Group Alpha and Alpha North, the oil and gas exploration group, were both suspended, the market has been quiet.

Stalwart Steels, the steel group, has been suspended since 11.00 on Friday.

Other Financials, including the insurance group, has been suspended since 11.00 on Friday.

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## sport

EURO 96

Premiership managers are ready to lavish millions on the tournament's outstanding talents. Matt Tench and Alan Nixon report.

## Cattle market that threatens British beef

After Coventry City had won the FA Cup in 1987 and prepared to complete what for them was the audacious signing of Chelsea's David Speedie, their manager, John Sillett, remarked: "We won't be shopping at Woolworths any more. From now on we'll be shopping at Harrods." By the end of this month the majority of Premiership clubs are likely to be preparing to spend millions at football's equivalent of the duty-free.

Euro 96 will bring to England the cream of European talent, whether it is the Croat who cannot stop scoring, or this year's dazzling graduate from the Ajax academy. It is a mouth-watering prospect, and for those watching there will be an additional buzz. Come the start of the new season, a significant number will be donning the colours of Premiership teams. Indeed, the influx of foreigners that has taken place over recent seasons seems certain to be given further impetus by the Championship.

The class of 96 has begun to arrive. On Monday Florin Raduiciu flew in with the Romanian team, apparently destined to join Harry Redknapp's increasingly cosmopolitan ensemble at Upton Park. Neither West Ham, nor Raduiciu's Spanish club, Espanol, would confirm the deal, but Redknapp made no attempt to hide his intention to use the Championship for recruitment purposes.

"I plan to watch as many games as I can, and I'm sure there will be the chance to get some very good players," he said. "At West Ham we are still short of three or four players.

I have been looking at which European players are out of contract and there are world-class individuals available who are at the end of short-term contracts, and who want to play in the Premiership. Looking at the list of French players blows your brains out. Most of them are in the Gilardini class, and there are enough to go round."

Redknapp's preference for buying from abroad instead of investing in up-and-coming British talent has already attracted criticism, but he remains unrepentant. It all comes down to money.

When you can go to the continent and sign world-class players for around £1.5m, it has to be a better option than gambling with three or four million on young players over here who may or may not get on in the top flight. After the Bosman ruling it all comes down to the wages. I read that [Gianluca] Vialli is on £40,000 a week. We can't compete with that. But there will be other outstanding talents who we have every chance of getting. I'm confident we will have few problems attracting them."



Parma's Portuguese defender has been linked with a £4m move to Rangers, but may end up at Old Trafford

Photograph: Empics



Croatia's playmaker is surplus to requirements at Barcelona but a good Euro 96 could provoke interest from Premiership managers

Photograph: Allsport

Howard Wilkinson, of Leeds, has had mixed experiences with foreign imports, but intends to make full use of the tournament. With three games at Elland Road, it will be one of his easier scouting trips. "It will be very convenient," he said. "I think the fascinating thing about championships like these is that they always throw up two or three new names who before were perhaps only well known in their own country."

Significantly, Europe's two most dazzling midfield talents, Edgar Davids of Ajax and Zinedine Zidane of Bordeaux, will both be moving to Italy after the championships. (Zidane, incidentally, looks certain to be the most extravagant beneficiary

of the post-Bosman era, where by out-of-contract players will pocket money saved on a transfer fee. Zidane is said to be demanding a £2m signing-on fee to join Juventus.)

Not that the attractions of playing Premiership football should be underestimated. Only

last weekend Ajax's brilliant young striker Patrick Kluivert, who is expected to rejoin Davids in a year's time, suggested that a move to a leading Premiership club would appeal to him.

Fernando Couto, Portugal's highly-rated defender, who has been linked with a £4m move to Rangers. The player himself appears to prefer a move 300 miles south. "I love the idea of playing in the English Premier League," he said last week.

"These days any professional would feel the same. Manchester United are the champion club and have got to be the best. They are the team everybody would love to play for."

Whoever arrives, of one thing we may be sure. For each completed deal there will be many more speculative stories, fuelled by the plethora of agents that now seem to surround every major player. Before Dennis Bergkamp's arrival at Highbury last year, the club was approached by nearly a dozen representatives claiming to have the correct papers.

David Hodgson, the former Liverpool and Middlesbrough player who is now an agent, feels

there is a growing danger that signings are made in haste and for the wrong reasons. "I used to take every case with care," he said. "Now there are people everywhere offering free foreigners. It's now a case of the price being right, including wages, rather than the blend between club and player."

The appeal of a new face can outweigh the reality of whether he will fit in or not. In many ways Bosman has spoiled it, though if I was still a player I don't suppose I would argue."

## Why the Bees will be buying British

While Premiership managers are lining up continentals to reinforce their teams, David Webb of Brentford has some advice for his fellow managers in the lower divisions. Buy British.

"I won't be looking for players at Euro 96," Webb said. "There is no question those sort of players are out of the reach of clubs like Brentford. If I tell you I would expect any Euro 96

player signing for a Premiership club this summer to require a contractual package equivalent to the entire annual wage bill of Brentford's squad, including bonuses, you will get some idea of what we are up against. And that is the minimum."

Not that Webb is too disappointed that Brentford will be missing out on the European market. In fact, he defends the

British game and the standard of home-grown players.

"It's all very well if the best players in the world are coming, but I'm not convinced we are in that market. A lot of the foreign imports are not the best available. There are just as many that come over here and do badly. Probably more. It is still a gamble. Clubs should show more confidence in British youngsters."

## Danes worried by great expectations

GUY HODGSON

Last time it was a fairy tale; this time reality might hit Denmark like a cold, wet towel. The champions flew into England for Euro 96 yesterday with hopes escalating in their native land, but with a healthy amount of trepidation among their players.

"Four years ago we came and nobody expected anything."

Brian Laudrup, the Rangers Dane with great appended to his name in Scotland, said:

"This time around we're the title holders and the expectations are high. People expect us to at least get to the quarter final stages but it will be difficult."

In 1992 the Danish players were recalled from beaches all over Europe after Yugoslavia were ejected from the European Championship finals with a week

to go. They had virtually no build-up and few worries. It was a bonus just to be in Sweden and they played like it, surprisingly defeating Germany in the final.

Denmark arrived at their Leeds headquarters with the respectable record of only one defeat in seven build-up matches since they finished second to Spain in their qualifying group.

"Ghana were very skilful, just as the three opponents in

Group D [Croatia, Portugal

and Turkey] will be. The way we played tactically, hoping to attack on the break, perhaps it will suit us to play against skilful players."

The Netherlands withdrew

defender Frank de Boer from

their squad yesterday after he aggravated an old injury to his right ankle in training. The 25-year-old Ajax player has won 39 caps and was considered an automatic selection.

The luck of the draw, whereby Russia were placed alongside San Marino, the Faroe Islands, Finland and Greece in qualifying, deserted them when it came to the finals. To advance to the second phase they must finish above either Germany or Italy, as well as overcome a habit of frustrating expectations dating back to the days of the Soviet Union.

Even when the Soviets could beat the best of Dynamo Kiev's formidable squad with the Moscow elite, they failed to deceive. Although they won the inaugural championship in 1960 and came second in three of the next six tournaments, only 1988 - when they lost the final to an irresistible Dutch display - hinted at a tactical flexibility to match their undoubtedly strong technique.

At Euro 92, playing as the CIS, the indigent their disunited team endured included Brian McClair's first goal for Scotland - at the 26th attempt. Then came a checkered World Cup campaign under their own name in the United States. Several players based in the West, including Andrei Kanchelskis, refused to play for a coach, Pavel Sadovin, they regarded as out of touch with modern football.

Without the refuseniks, Russia lost to Sweden and Brazil before bowing out with a 6-1 rout of Cameroon. It is perhaps symptomatic of the way Russian football is run that the striker who hit five goals that day, Oleg Salenko,

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### Robson poised to sign Porto keeper

Bobby Robson is preparing to hand over £3.7m of Barcelona's money to his former club, Porto, in order to land the services of the Portuguese international goalkeeper, Vitor Baia.

The clubs had reached an initial agreement for the transfer of the 26-year-old Vitor Baia, who will captain Portugal at the European Championship. It is understood that his earnings at Barcelona will be £8.7m over four seasons.

Ajax, the Dutch champions, are close to finalising the transfer of the Nigerian international winger Tijani Babangida from Roda JC Kerkrade.

Babangida, 22, began his career with the Niger Tornados before joining VVV Venlo in the Netherlands and signing for Roda in 1993. He has played 10 games for his country. The small, but lightning fast right-winger, who scored seven goals for Roda this season, is seen as a possible replacement for fellow countryman Finidi George, who may be the latest Ajax player to seek a move.

The former European champions have already lost both the full-back Michael Reiziger and the midfielder Edgar Davids to Milan next season, while the Nigerian pair of George and Nwankwo Kanu

have still to decide whether to sign new contracts or leave.

Incomings at Ajax next season are the Sparta Rotterdam defender John Veldman, a late addition to the Dutch squad for Euro 96, and the Dutch international midfielder Richard Witschge from Bordeau.

Luis Oliveira, the 27-year-old Brazilian forward, is leaving Cagliari to take up a four-year contract with Fiorentina.

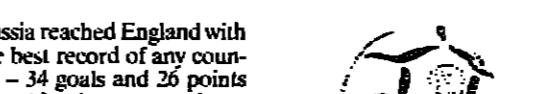
Lee Sharpe has insisted that he was staying at Old Trafford. The former England winger was dropped by Manchester United's closing Premiership game at Middlesbrough and also missed the FA Cup final against Liverpool.

"It was a massive blow for me to be left out of the side when we clinched the title," Sharpe said. "It was something which never really sunk in until after the final whistle, but I have had disappointments before and I am sure that I will bounce back."

He added: "I will have a good break and then see what happens in pre-season. I am getting used to picking up the paper and finding that I am linked with a couple of other clubs but it is just part and parcel of what goes on."

### CHAMPIONSHIP COUNTDOWN: No 11 Russia

## Romantsev's new order



did not get near the squad for Euro 96. His face does not fit with Oleg Romantsev, the former Spartak Moscow coach who is renowned as an unyielding man once he feels he has been crossed.

Not that Romantsev is short of forwards. His selection is peppered with strikers good enough to have earned moves to Spain, Italy and Germany, though 1-1 and 0-0 stalemates with Group B runners-up Scotland suggested that they might

struggle against half-decent defences. Kanchelskis, for example, was rendered peripheral in Glasgow and Moscow by the unsung Tom Boyd. Despite that, Craig Brown, the Scotland manager, tips them to win the tournament.

Romantsev revealed a ruthless streak at which Sadovin seldom hinted by omitting Sergei Yurkin and Vasil Kulkov, regulars with Spartak and Russia, from his squad for the finals.

In the most surprising defection since the Cold War, the pair joined Millwall in January only to find their former mentor as unforgiving as the denizens of the New Den.

Another who left Spartak, Victor Onopko, pitched up in Spain with the coach's blessing and will anchor midfield. Yuri Nikiforov, the sweeper, will take responsibility for initiating counter-attacks. But the absence of the cohesion that stems from a shared identity - the side contains Ukrainians, Estonians et al - may militate against Russia under pressure as it did the Soviets. One win will be regarded as satisfactory.

Phil Shaw  
SQUAD

Goalkeepers Stanislav Cherednikov, Dmytro Kharin, Serhiy Oshchepko

Defenders Yury Nikiforov, Oleg Terekhov, Yury Kostin, Yevgeni Bishchenko, Vitor Baia

Middlefielders Andrei Kanchelskis, Igor Dovbush, Valeri Karpin, Alexander Al'shov, Andrey Ritsenko, Oleg Salenko, Yury Tsvetkov, Igor Shalimov, Igor Yurkivs

Forwards Igor Novikov, Igor Smirnov, Vladimir Bystrov, Oleg Salenko, Igor Smirnov

Yuri Nikiforov (Spartak Moscow)

A World Cup and Champions League veteran at 25, the Ukrainian-born Nikiforov is a class act in the libero role, combining anticipation, sophistication and brutal long-range shooting. Had a fruitless trial four years ago at Leeds United but ready to clinch a "permanent" move from Spartak to the West with a good finals.

Without the refuseniks, Russia

lost to Sweden and Brazil before bowing out with a 6-1 rout of Cameroon. It is perhaps symptomatic of the way Russian football is run that the striker who hit five goals that day, Oleg Salenko,

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FRENCH OPEN: Sampras reaches the semi-finals after another marathon with his American rival

# Novotna no longer in awe of Seles

## Tennis

JOHN ROBERTS  
reports from Paris

During a change-over a few games from defeat here yesterday, Monica Seles looked like a little girl lost. She could not understand why she was scared to go for her shots. It was not something she had experienced before.

A few yards the other side of the umpire's chair, Jana Novotna was also in a state of contemplation. This was not going to be one of those occasions, she resolved, that she would blow a commanding lead.

Novotna's victory, 7-6, 6-3, to advance to the semi-finals of the French Open at Seles's expense may not have been part of the original script, but it suited the course of the match perfectly.

While Novotna played close to potential, and crucially held her nerve, Seles was barely a shadow of the player who dominated the championships for three years before her career was brutally interrupted by Gunther Parche and his knife in April 1993.

The defeat of Seles, three matches ahead of her projected showdown with the co-seeded Steffi Graf, may have provided the dramatic result, but the raw action took place over on the Centre Court, which was reserved for the men for the day.

Pete Sampras and Jim Courier engaged in another mighty duel, reminiscent of that emotional night at the 1995 Australian Open, when Sampras broke down and cried during the fifth set after thinking about his coach, Tim Gullikson, who was terminally ill. Gullikson died a month ago.

Yesterday, Sampras was able to hold back his tears until the interviews. Once again, he had recovered to win from two sets down, this time 6-7, 4-6, 6-4, 6-4 after three hours and 31 minutes.

There were moments when Sampras displayed spectacular shot-making, others when he flabbergasted Courier with improvisation, such as in the eighth game of the fourth set. Having saved one of two break points with an ace, Sampras broke a string making his next serve. He changed his racket, and delivered an ace with his second serve.

In the closing moments, Sampras doubled up with fatigue be-

fore preparing to serve, and Courier talked to himself while walking to the back of the court, saying: "The guy's near in his grave, and he's serving 190mph bullets." Sampras finished the match with an ace.

Courier had beaten Sampras on the only other occasion they played on clay, in the quarter-finals here two years ago. Sampras, his confidence boosted, now faces the sixth-seeded Russian, Yevgeny Kafelnikov, who dropped his first set in defeating Richard Krajicek, 6-3, 6-4, 6-7, 6-2.

Court Suzanne Lenglen, where the women's singles quarter-finals were played, did not exist when Seles last won the trophy in 1992, defeating Steffi Graf in a classic final, 10-8 in the deciding set.

Until yesterday, Graf was the only opponent to have beaten her on the clay courts of Stade Roland Garros, and that was when Seles made her debut in Paris as a 15-year-old in 1989, reaching the semi-finals.

Later that year, Novotna defeated Seles in the semi-final of the European Indoors event in Zurich. The Czech had lost four consecutive matches against Seles before yesterday, and in the meantime had built a reputation for choking on the big occasions. Most notorious was her collapse in the 1993 Wimbledon final when serving for 5-1 against Graf in the final set.

Seles, whose shoulder injury had restricted her to only one match in four months before the championships, offered no excuse except her poor play. "On the key points I just played very scared," she said. "I was not attacking. I was just staying there and hitting it back for her and waiting for her to miss."

That did not happen often, which is why Seles is preparing for Wimbledon and Novotna is waiting for Arantxa Sanchez Vicario in the semi-finals. The Spanish fourth seed was forced to retrieve long and hard yesterday in beating the unseeded Slovakan, Karina Habsudova, 6-2, 6-7, 10-8.

Graf enjoyed an hour in the sun while defeating the fifth-seeded Iva Majoli, of Croatia, 6-3, 6-1. The defending champion now meets Conchita Martinez, the No 3 seed, who eliminated Lindsay Davenport, 6-1, 6-3.

French Open results,  
Sporting Digest, page 23



Tearing up the script: Jana Novotna kept her nerve yesterday while Monica Seles wilted. Photograph: Gary Prior/Allsport

Premiership clubs prepare to strengthen the foreign legion

# England bonded by resentment

## Football

GLENN MOORE

"Wing-back", "stepping out", "in the hole", "pressing": as the national game grows in importance and self-importance it spawns an ever-growing language of its own. To this lexicon can now be added "collective responsibility".

David Platt, the England captain, was repeating the phrase like a mantra at Bisham Abbey yesterday while Radio Five were so taken with it they invited listeners to suggest other problems England's footballers could take collective responsibility for - the Yorkshire water drought was one suggestion, on the premise that they had drunk the county dry.

Very droll, but this sort of thing demonstrates the impact the alleged airborne television-smashing incident has had on England's image, and, though Terry Venables is partly justified in accusing the media of exaggerating matters, there would have been no story if the players had behaved themselves.

However, for the next few weeks Venables and his players are more interested in winning the tournament than winning friends, and the tale of the broken tellys may be just what El Telly needed.

Nothing builds team spirit better than a sense of collective resentment. Among Alex Ferguson's many gifts is that of persuading his teams that the world is against them and, with the help of the media, Venables has now done the same thing. There is, he admitted, "an extra edge about them".

Gareth Southgate, one of the squad's newer and more thoughtful members, agreed. "Far from damaging our chances the affair has pulled the boys together and introduced a stronger sense of cameraderie," he said. "We have been surprised at the coverage but it has possibly been a good thing in helping the bonding process."

It is an experience everyone has learned from. Everybody realises what went on was unacceptable. The important thing now is to have everything sorted out so we can get on with the bonding process."

There was no chance of the affair being forgotten yesterday and Venables decided he was

better off going on the offensive, criticising both the airing of Cathay Pacific, and the media.

"They are very, very angry about lots of things," said Venables of his players. "That's fine. I have spoken to them about it. We're in a high-profile situation. We've got to accept criticism. But not what has gone on, calling them spineless and things like that."

"It's gone incredibly out of proportion. The public's seen such a lop-sided view from people who think they know everything that I think I should say something on behalf of the players. These guys will be at the sharp end over, hopefully, the next four weeks: heroes or villains by what they do out there. You can't be spineless in that sort of arena."

"Cathay Pacific? You seem to want to take their word straight away. Have you any proof, any pictures? Let me see them. If you have I might say yeah, you're right. I'm wrong. Show me the pictures, because I haven't any proof otherwise."

"There was a very little problem upstairs [on the plane]. It's been made to sound like a party up there. They were playing cards all night. You believe them [Cathay], but you won't believe us. Did Cathay get it wrong?"

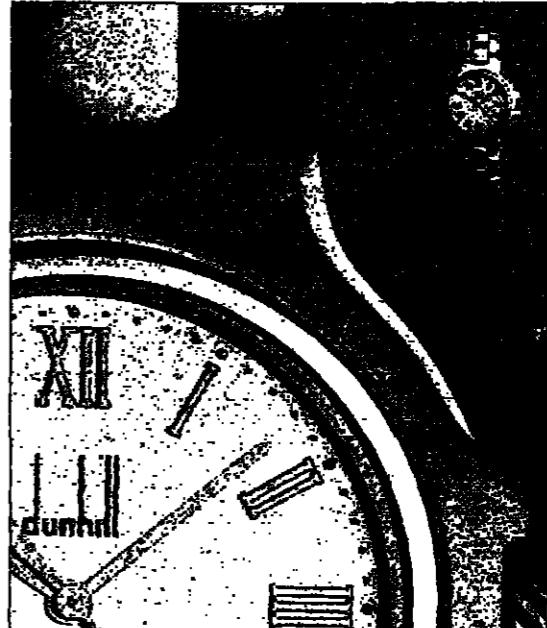
Venables indicated that he knew what had happened and that the matter would be dealt with internally. Latest theories centre on two possibilities: deliberate vandalism involving a screwdriver or airline knife [it would not even cut the chicken] said Venables, dismissing the latter suggestion, or accidental damage during some horseplay.

The decision to take collective responsibility came from the players. "We got together on Sunday night and had a long chat about it," said Platt, who Venables confirmed as captain.

The senior players took the initiative, then the whole squad agreed. Venables was told of the decision at a team meeting. "Today's mood was excellent," the coach said. Three players sat training yesterday: Gary Neville (thigh strain), Tony Adams (knee - but not the problem which required an operation in January) and Les Ferdinand (groin). Steve Howey resumed training after his blood poisoning infection.

All are expected to be fit for Saturday's match with Switzerland, when, at last, England will be judged by their performance on the pitch, not off it.

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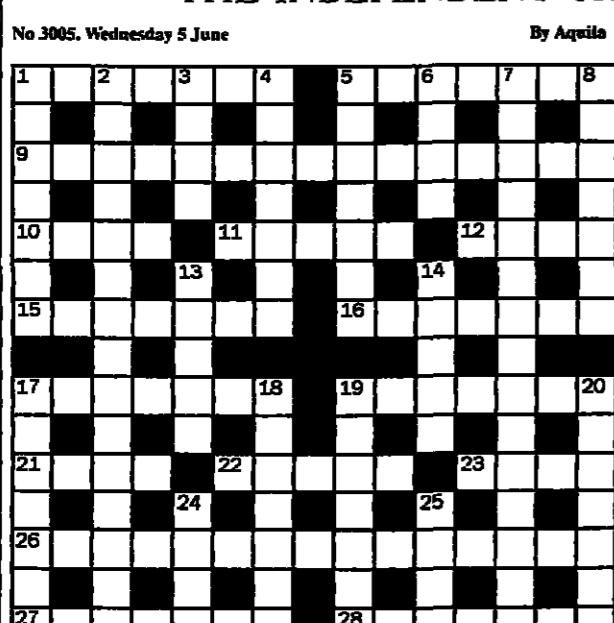
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# England pick Hussain for key role at No 3

## Cricket

DEREK PRINGLE

As another Test series prepares to break into full swing, England's

selectors continue to be befuddled by being bold and decisive. Yesterday they informed Nasser Hussain that he was to bat at No 3, a spot that has caused more than its fair share of bother in recent years, and one Hussain came to almost by accident when he swapped his No 4 spot at Essex with Mark Ilott during a county game led to him being dropped by Essex.

Bogy position or not, Hussain was clearly pleased and feels he is better equipped now than when he made his Test debut against the West Indies in 1990. The decisive timing of his announcement has clearly helped calm any nerves, and is a clear message from those concerned that they think he is the man for the job.

Despite his seven Test caps, it is still important to achieve a confidence booster, particularly after so much post-selection speculation over the role had centred on John Crawley, who may find himself at six or, even worse, carrying the drinks.

"I'm very happy bat at three," Hussain said after another of David Lloyd's fielding boost sessions. "It's where I've been now for a while, first with Essex and then with England A in the winter. But, if I'm honest, at the moment I'd be happy to bat anywhere."

A few years ago, Hussain was anything but a picture of happiness after a dressing-room altercation with Mark Ilott during a county game led to him being dropped by Essex.

"That's all in the past now," Hussain insisted. "In any case," he continued with a wry grin on his face, "As vice-captain [of Essex] I'm allowed to say things now that I perhaps wasn't allowed to in the past."

Removing the tempest from the tempestuous heart is never

easy, but giving Hussain authority seems to have done the trick. "Being given the A team captaincy definitely picked me up. I really enjoyed the responsibility and the tour. Captaincy gets you thinking about other aspects of the game instead of just worrying about your own, which is what I was doing too much of."

Lloyd, England's coach, thinks it is a golden opportunity for Hussain to make the position his own, and rejects the theory that it is a difficult position to bat and Hussain is merely the latest in a long line of scapegoats.

"I've always felt he was a good, aggressive player. You can tell he's been brought up in a decent dressing-room. You can tell he's had his opinions and that he's probably had his back-side kicked too. But, that aside, we really liked the shape of the team, with Nasser at three."

Shape is something Hussain has worked hard to achieve since being dropped at the end of the West Indies tour two years ago. He admits to letting his technique go. "I remember seeing myself on video and thinking, 'Do I really move around that much? I needed to work hard and I've done that at Essex for last two seasons with Graham Gooch and Keith Fletcher. But, in fact, the hard work really only starts now."



Hussain: Confidence boost

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